Moving Toward Leadership as a Global Player

SANWA HOLDINGS CORPORATION

ANNUAL REPORT 2013

For the year ended March 31, 2013

A new vision

to realize our potential for global industry leadership

Profile

The Sanwa Group, headed by Sanwa Holdings Corporation, is a global corporate group composed of 100 companies, including 79 subsidiaries and 20 affiliated companies, as of March 31, 2013. The Group has four major fields of business—commercial building materials, residential housing materials, maintenance service and home improvement, and other businesses—and provides a wide range of steel construction materials for commercial and residential construction, including shutters, doors and other units.

In April 2013, we launched “Sanwa Global Vision 2020” and initiated a new mid-term management plan “The First Three Year Plan” (April 2013–March 2016). The aim of the new vision is to establish the Sanwa Group as a “Global Major Player” and a leading global brand in the access systems industry. We are strengthening production and marketing synergies across our four key markets, Japan, the United States, Europe and Asia, and venturing into new markets, such as the environmental field, seeking to capture new market opportunities and drive our sustained growth.

Contents

Our Mission

The Sanwa Group is committed to offering products and services that provide safety, security and convenience to further contribute to the prosperity of society.

Our Values

To deliver products and services to satisfy all customers.

To become a true global player and be highly valued in each market of the world.

To bring together the creativity of each individual in a team environment for the enhancement of corporate value.

SANWA GLOBAL VISION 2020

To offer products and services that provide safety, security and convenience as a "Global Major Player" in the access systems industry.

01 Become the definite No.1 brand in Japan,USA and Europe.

02 Establish a business model for service business.

03 Expand shutter & door business in emerging markets, spotlighting Asia, and make them grow to be top brands.

04 Promote realization of global synergy in global markets.

FORWARD-LOOKING STATEMENTS:

This annual report includes forward-looking statements pertaining to expectations, plans, strategies, management goals, future performance, expenses, revenues, income and other forecasts formulated on past experiences. Forward-looking statements necessarily entail some degree of uncertainty, and the content conveyed in the results as well as underlying factors identified in the report may differ materially from actual results depending on changes in those factors.

Our Group

The Sanwa Group conducts its business activities in around 30 countries—in Japan, North America, Europe and Asia—and strives to build a strong presence in each area.

North America

01 Overhead Door Corporation

Established in 1921, and with the Sanwa Group since 1996. A leading U.S. manufacturer of garage doors and shutters.

Access Systems Division
Producing and selling "Overhead Door" and "Wayne Dalton" branded doors.

Genie
Producing and selling operators for residential and commercial use.

Horton Automatics
Producing and selling automatic doors.

Creative Door Services
Headquartered in Canada. Supplying and installing sectional doors.

TODCO
Producing and selling truck and trailer doors.

Europe

02 Novoferm Europe Ltd.

Established in 1955 and with the Sanwa Group since 2003. One of Europe's leading suppliers of hinge doors, garage doors and industrial products.

NF GmbH
Production subsidiary located in Germany.

NF Polska SP.z.o.o.
Sales subsidiary located in Poland.

NF Vertriebs GmbH
Sales subsidiary located in Germany.

NF Hungaria Kft.
Sales subsidiary located in Hungary.

NF France S.A.S.
Production and sales subsidiary located in France.

NovoPort Vertr. GmbH
Sales subsidiary located in Austria.

NF Nederland B.V.
Production and sales subsidiary located in the Netherlands.

NF Schweiz AG
Sales subsidiary located in Switzerland.

NF Schievano S.r.l.
Production and sales subsidiary located in Italy.

NF Balkan
Sales subsidiary located in Bulgaria.

NF UK Ltd.
Production and sales subsidiary located in U.K.

NF Danmark A.P.S
Sales subsidiary located in Denmark.

NF Alsal S.A.
Production and sales subsidiary located in Spain.

Dong Bang NF Inc.
Production and sales subsidiary located in South Koria.

03 Sanwa Shutter Corporation

No.1 supplier of rolling steel shutters overhead doors, steel hinge doors. Maintenance and repair services in Japan.

04 Okinawa Sanwa Shutter Corporation

No.1 supplier of shutters, doors and store building materials in Okinawa.

05 Showa Front Co., Ltd.

Pioneer in the store facade business. Showa Front has built a reputation for advanced technology and an extensive product lineup.

06 Sanwa Tajima Corporation

Established in 1918, with a history dating back almost 100 years. Sanwa Tajima manufactures and sells stainless steel products.

07 Venix Co., Ltd.

Manufacturing toilet stalls, aluminum partitions and clean rooms since 1957. A member of the Sanwa Group since 2003.

08 Showa Kensan Co., Ltd.

Manufacturing “Million” brand automatic doors since 1967. A member of the Sanwa Group since 1995.

09 Tajima Metal Work Co., Ltd.

Tajima Metal Work is a leading supplier of mailboxes for apartment complexes. A member of the Sanwa Group since 2005.

10 (China) Shanghai Baosteel-Sanwa Door Co., Ltd.

A joint venture with Baosteel Development Co., Ltd. since 2006. It manufactures and sells shutters, overhead sliders, high-speed sheet shutters and steel doors.

11 (China) Novoferm Shanghai Co., Ltd.

Established in 2005, this company manufactures and sells steel doors.

12 (Hong Kong) Sanwa Shutter H.K. Ltd.

Established in 1986, this company manufactures and sells shutters, overhead sliders, high-speed sheet shutters and steel doors.

13 (Taiwan) An-Ho Metal Industrial Co., Ltd.

This company was established in Taipei in 1988. It manufactures and sells steel doors, shutters, overhead sliders and high-speed sheet shutters.

14 (Vietnam) Vina-Sanwa Company Liability Ltd.

A joint venture launched in Hanoi in 2008 with Vinaconex Corporation. It makes and sells shutters, overhead sliders, sheet shutters and steel doors.

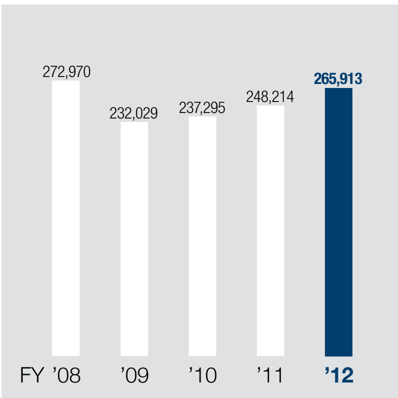
Consolidated Financial Highlights

Sanwa Holdings Corporation and Subsidiaries

	Millions of yen					Thousands of U.S. dollars
Fiscal Year	FY 2008	FY 2009	FY 2010	FY 2011	**FY 2012**	**FY 2012**
For the Years ended March 31	2009	2010	2011	2012	**2013**	**2013**
For the years:						
Net sales	¥272,970	¥232,029	¥237,295	¥248,214	**¥265,913**	**$2,828,862**
Cost of sales	205,426	173,108	179,400	186,684	**196,632**	**2,091,830**
Gross profit	67,544	58,921	57,895	61,530	**69,281**	**737,032**
Selling, general and administrative expenses	59,474	53,297	53,333	52,675	**55,107**	**586,245**
Operating income	8,070	5,624	4,562	8,855	**14,174**	**150,787**
Net Income (loss) before income taxes and minority interests	6,045	(270)	(1,000)	6,826	**13,076**	**139,106**
Income taxes	3,733	458	1,468	3,529	**5,895**	**62,712**
Net income (loss)	2,312	(725)	(2,443)	3,297	**7,181**	**76,394**
Comprehensive income (loss)	—	—	(7,898)	1,389	**13,959**	**148,500**
Depreciation and amortization	8,306	4,824	6,578	5,605	**5,785**	**61,543**
Capital expenditure	6,508	3,895	3,495	2,897	**4,293**	**45,670**
Operating income on sales (%)	3.0	2.4	1.9	3.6	**5.3**	
Net income (loss) before income taxes and minority interests on sales (%)	2.2	(0.1)	(0.4)	2.8	**4.9**	
Return on equity (%)	1.9	—	—	3.8	**7.9**	
Net income (loss) per share (yen and U.S. dollars)	¥ 9.60	¥ (3.02)	¥ (10.17)	¥ 13.72	**¥ 29.93**	**$ 0.32**
Dividends per share (yen and U.S. dollars)	¥ 10.00	¥ 5.00	¥ 8.00	¥ 8.00	**¥ 10.00**	**$ 0.11**
Price-earnings ratio (times)	28.8	—	—	23.5	**16.1**	
Return on assets (%)	0.9	—	—	1.5	**3.1**	
At the year-end:						
Total assets	¥231,054	¥246,599	¥218,933	¥226,579	**¥241,771**	**$2,572,033**
Long-term debt	38,767	26,763	49,790	48,651	**48,846**	**519,638**
Total net assets	95,365	96,110	86,021	85,522	**97,135**	**1,033,353**
Stock price (yen)	276	312	280	323	**483**	
Interest-bearing debt	54,483	74,628	59,892	61,607	**60,800**	**646,808**
Liquidity (Note 2)	87,400	92,986	75,668	80,227	**88,338**	**939,766**
Debt-equity ratio (times) (Note 3)	0.6	0.8	0.7	0.7	**0.6**	

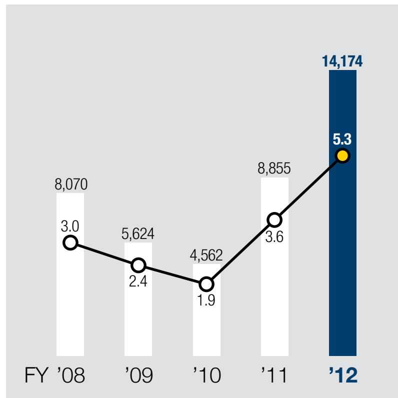
Note 1: U.S.dollar amounts represent arithmetical translations of the Japanese yen at the approximate exchange rate on March 31, 2013 of ¥94 = US$1.
Note 2: Liquidity = Cash and cash equivalents, Short-term investments and Notes and accounts receivables, trade.
Note 3: Debt-equity ratio = Interest-bearing debt/Total shareholders' equity.

Net Sales
(Millions of yen)



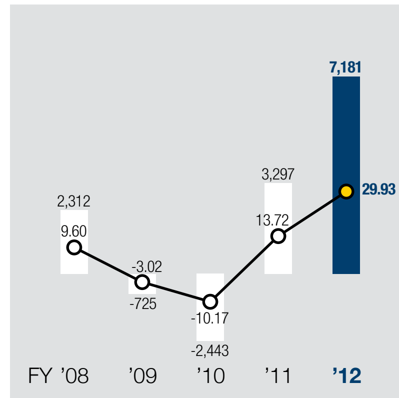
Strong sales growth both in Japan and the United States brought an ***increase of 7.1%*** in consolidated net sales.

Operating Income / Operating Income on Sales
(Millions of yen / %)



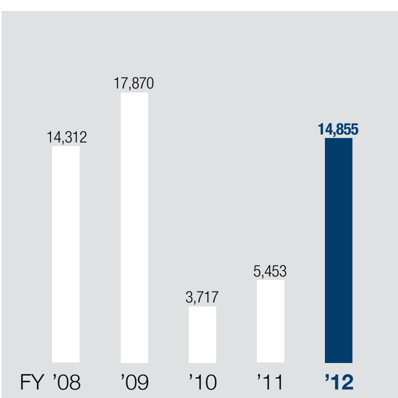
In addition to an increase in net sales, group-wide cost-cutting initiatives helped to achieve a ***60.1% Y o Y growth*** in operating income.

Net Income / Net Income per Share
(Millions of yen / Yen)



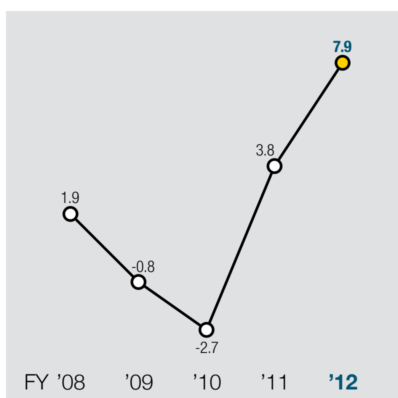
Despite a special loss for business re-organization cost of the European subsidiary, net income showed an ***increase of 117.8%***.

Cash Flows from Operating Activities
(Millions of yen)



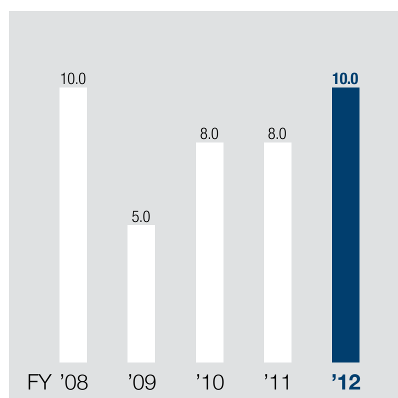
Due to an increase in net income, net cash provided by operating activities showed ***two-fold increase*** from the previous year's result.

Return on Equity
(%)



A positive net income result brought ***improvement in profitability***, return on equity rose to 7.9% from 3.8% in the previous year.

Dividends per Share
(Yen)



The dividend for the current year was set at ¥10.0 per share, according to the Company's ***sustainable dividend*** policy.

To Our Shareholders

The Sanwa Group again achieved year-on-year growth

in both revenues and income as a result of wide-ranging initiatives in Japan and overseas with the aim of achieving the targets defined in the New Three-Year Plan.

Representative Director, President CEO & COO Toshitaka Takayama

Business Environment and Financial Results in the Year Ended March 2013

In the year ended March 2013, capital investment and housing investment moved toward recovery with underpinning from reconstruction demand following the Great East Japan Earthquake. Although there were still challenges in the business environment, including the global economic slowdown, the situation began to improve in the closing months of the fiscal year after economic policies introduced by Japan's new cabinet, combined with monetary easing by the Bank of Japan, raised expectations of an economic recovery. This led to the correction of the historically high value of yen and a rise in stock prices.

Overseas, the fiscal cliff debate raised concerns about the U.S. economy. However, there were signs of improvement in the employment situation, and a gradual recovery emerging in the housing construction market. In Europe, the German economy remained relatively strong, but the situation in the eurozone as a whole remained harsh, in part because of the declining performance of southern European economies under the impact of fiscal austerity policies.

The year ended March 2013 was the concluding year of the Sanwa Group's long-term plan, the 2010 Vision. In Japan, we expanded our product range with the aim of increasing orders, while also working to improve profitability and productivity. In the United States, we developed synergies with companies that we have acquired while also expanding our service activities. Another priority was the consistent application of flexible pricing policies designed to allow appropriate adaptation to fluctuations in the cost of materials. In Europe, we stepped up our marketing efforts in Germany, where the economy remained relatively strong, with the aim of increasing orders and sales volumes. We also reduced costs by sourcing materials from China. In southern Europe we implemented radical measures, including business restructuring.

As a result of these efforts, Sanwa Shutter Corporation, our core group company in Japan, recorded substantial growth in both revenues and income. Other group companies in Japan also achieved generally pleasing results, and both revenues and income from our domestic business activities were higher. Revenues were also higher in the United States, in part because of the contribution from a door service company acquired in the previous fiscal year. Income increased in response to our price policies and cost-cutting efforts. Despite relatively firm trends in Germany, which is our main European market, revenues in Europe were lower year on year because of the economic downturn in France and southern Europe. Income also declined because of a combination of lower revenues and rising costs.

Consolidated net sales for the year ended March 2013 amounted to ¥265,913 million, a year-on-year increase of 7.1%.

Operating income was 60.1% higher at ¥14,174 million, and net income increased by 117.8% to ¥7,181 million.

Achievements under the New Three-Year Plan

We attribute the recovery of our financial results to group-wide efforts under the New Three-Year Plan, which we launched in fiscal 2010 with the aim of realizing the Sanwa 2010 Vision, toward which the Sanwa Group has been working since fiscal 2001.

Our earnings declined rapidly in the wake of the great recession of 2008–2009 although revenues benefited from the integration of our American subsidiaries, the Overhead Door Corporation and the door company Wayne Dalton, which we had acquired in fiscal 2009. Operating income for that year, on the other hand, was lower because of a business suspension affecting Sanwa Shutter Corporation, the payment of surcharges and the write-down of goodwill relating to Wayne Dalton. This situation ultimately resulted in a net loss.

However, fiscal 2011 (the year ended March 2012) brought a significant improvement in both domestic and European orders. Despite a sharp rise in the value of the yen, we achieved substantial growth in revenues and income. In the year ended March 2013, which was the final year of the New Three-Year Plan, our domestic business operations continued to perform well, and both net sales and operating income exceeded our forecast.

Although several indicators, including net sales and operating income, fell short of the targets set down in the New Three-Year Plan, we made considerable progress toward globalization and the expansion of our product range, which are key group policies. We were also able to restore our operating income almost to the level before great recession of 2008–2009. Challenges still remain, however, including the expansion of our business in Asia, the global development of our service business, and the reinforcement of global synergies.

Sanwa Global Vision 2020 and the First Three-Year Plan

Under the basic policies defined in our long-term management vision, Sanwa Vision 2010, the Sanwa Group in Japan has moved away from a structure that relied mainly on shutters through the diversification of its product range to include doors, storefronts, partitions and stainless steel products. By expanding into Europe and Asia, we also laid the foundations for a globalized structure linking Japan, the United States, Europe and Asia.

We aim to build on these achievements through new initiatives that we have launched under our new long-term management vision, Sanwa Global Vision 2020, which we announced in May 2013. We will retain the basic concept under Sanwa Vision 2010, which called for corporate value creation

Results of 2010 Vision and Goal of Sanwa Global Vision 2020

through global group management, while working toward the Sanwa Group's evolution from the initial phase of global management to a new phase of growth and success.

Our basic commitments under Sanwa Global Vision 2020 are to build a solid position as the top brand in Japan, the United States and Europe, to establish a business model for the service segment, to expand our shutter and door business and establishment of Sanwa as a top brand in emerging economies, especially in Asia, and to pursue group synergies in global markets. As a "Global Major Player" in the access systems industry, we also remain determined to supply our customers worldwide with products and services that enhance safety, security and convenience.

We have also launched the First Three-Year Plan, which covers the period from fiscal 2013 to fiscal 2015, as the first medium-term plan under the 2020 vision. Our priority goals under this plan are to strengthen our position as a leading company in our core business areas in Japan, the United States and Europe, to establish business models centering on services, to build a business base for activities in Asia, to achieve strategic expansion into the markets of emerging countries, and to realize global synergies. The targets for the plan are net sales of ¥325 billion and operating income of ¥23 billion in fiscal 2015.

Operating Results and Forecast

	FY2012 Results	FY2013 Forecast	YoY
Net Sales	¥265.9 billion	¥299.7 billion	**+12.7%**
Operating Income	¥14.2 billion	¥16.5 billion	**+16.4%**
Operating Income ratio	5.3%	5.5%	**+0.2 point**
Net income	¥7.2 billion	¥8.2 billion	**+14.2%**
Return on Equity	7.9%	8.2%	
Debt/Equity Ratio	0.63	0.66	

Forecasts for the Year Ending March 2014

Stable trends are estimated for the domestic Japanese economy. Exports are expected to expand in response to economic recoveries in Japan's trading partners and the correction of the overvalued yen. In addition, a last-minute demand rush is anticipated ahead of the consumption tax increase. In the United States, the economy is expected to recover, albeit gradually, resulting in a firm trend in the number of housing construction starts. There is little hope of an economic recovery in Europe, and the situation is likely to remain harsh.

The year ending March 2014 will be the first year under Sanwa Group Global Vision 2020 and our first medium-term plan, the First Three-Year Plan. We will respond to this economic environment by implementing a range of measures with the aim of achieving substantial growth in both revenues and income. Net sales are expected to increase by 12.7% year on year to ¥299,700 million, operating income by 16.4% to ¥16,500 million, and net income by 14.2% to ¥8,200 million. These forecasts are based on exchange rates of ¥95 to the U.S. dollar and ¥125 to the euro.

Distribution of Income

The Sanwa Group's basic policy on income distribution calls for the payment of dividends linked to consolidated financial performance. Our aim is to maintain a stable payout ratio while continuing our efforts to improve our corporate fundamentals, strengthen our management infrastructure and implement management policies designed to increase corporate value. Specifically, we base income distribution on a benchmark dividend payout ratio of 30%.

As initially planned, the final dividend for the year ended March 2013 was set at ¥5.0 per share, bringing the total dividend for the year to ¥10.0. Based on our estimates for the coming fiscal year, we plan to increase the dividend by ¥2.0 to ¥12.0, consisting of interim and final payments of ¥6.0 yen each.

Retained earnings will be used mainly for strategic investment, including mergers and acquisitions, capital investment, and the reduction of interest-bearing debt.

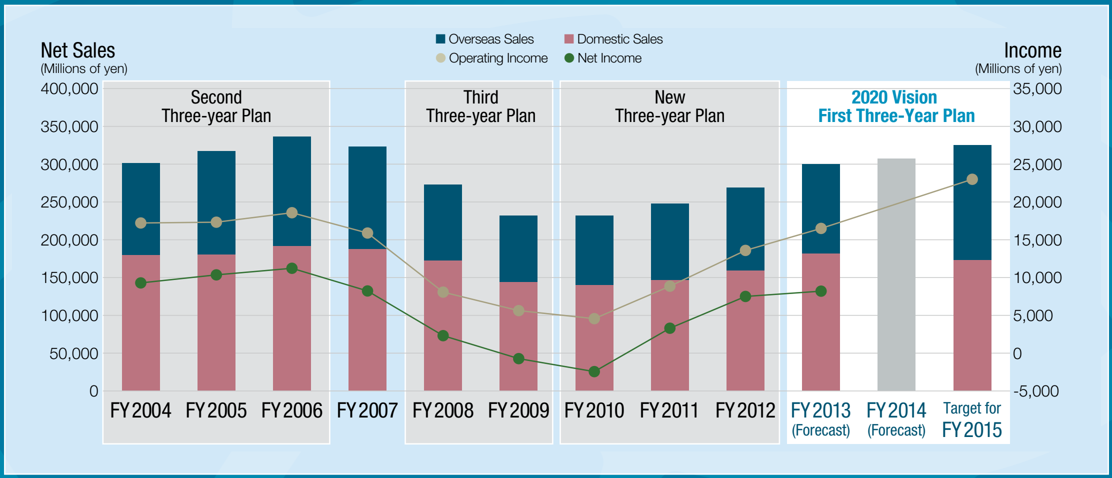
The Sanwa Group is determined to achieve further growth and improvement in shareholder value. We look forward to the continuing support of our shareholders.

Toshitaka Takayama

Representative Director, President CEO & COO

Outline of First Three Year Plan (2013-2015)

Consolidated Results and Forecast



Target Figures for First Three Year Plan (2013-2015)

	Targets for FY2015	Results for FY2012	vs. FY2012
Net Sales	¥325.0 billion	¥265.9 billion	**+22.2%**
Operating Income	¥23.0 billion	¥14.2 billion	**+62.3%**
Operating Income Ratio	7.1%	5.3%	**+1.8 point**
Return on Equity	11.7%	7.9%	
Debt/Equity Ratio	0.61	0.63	

Priority Policy for First Three Year Plan (2013-2015)

1	Enhancement of leading positions in the core businesses of Japan, USA and Europe
2	Establishment of a service oriented business model
3	Establishment of business foundations for Asian business
4	Strategic business expansion into emerging markets
5	Realization of global synergy effects

Strategy of "First Three Year Plan":

To Be a "Global Major Player" in the Industry

1. Strengthening leading positions in core business regions

Japan

We will enhance our capacity to deal with an uncertain market environment by utilizing the total power of Japanese group companies.

Within Japan, we worked under our 2010 Vision and the previous three-year plan (April 2010–March 2013) to reduce our reliance on shutters through a business restructuring process designed to expand our range of products in such areas as doors, storefronts, partitions and stainless steel products. Other priorities for all group companies in Japan included the implementation of comprehensive cost management measures, and the restructuring of marketing organizations. These initiatives yielded tangible benefits, including the development of a robust business base for group companies in Japan. Under the First Three-Year Plan, we aim to establish positions of leadership for our brands in the Japanese market by building on these achievements.

From a marketing perspective, we aim to expand our share of regional demand by strengthening our marketing organizations in each regional block in Japan, and by winning increased orders with installation work. At the same time, we will target demand for post-earthquake reconstruction work, especially in the Tohoku region.

In terms of product strategies, we will build on the success of our production range diversification efforts by further strengthening our product ranges with the aim of achieving further growth in sales of partitions, stainless steel products, exterior products and other items. We will also continue to develop and introduce high-added-value items, such as environment-friendly products. In addition, we will step up our after-market sales efforts through increased marketing targeted toward project owners. We will also focus on the training of installers.

Another priority will be the development of our supply and construction capacity for heavy-duty doors, condominium doors and other items to meet demand generated by future growth in the number of housing and non-housing construction starts and the expansion of business capital investment in Japan. We will also improve efficiency by enhancing our facilities and strengthen our income structure by increasing in-house production.

1. Keeping up with demand of core products such as shutters and hinge doors, and promoting product diversification.	• By enhancing area management and increasing orders with installation services to expand local market share. • Wider product range focus. (partitions, stainless products, shutter-related products, exterior products, etc…) • Develop and launch high-value added products. • Restoration from disaster (3.11). • Enhance after-market business through marketing to owners.	**Increase Sales**
2. Investment for sustainable growth in the future.	• Consolidate the system of door supply (heavy-weight doors, steel doors for apartments). • Increment and upskilling of installation workers.	**Increase Sales**
3. Enhancement of production technologies capability to ensure profit level.	• Facility investment to improve production efficiency. • Increase in-house manufacture of partitions.	**Expand Profit**

North America

We will steadily strengthen core businesses and meet challenges to growth by leveraging the recovery of the U.S. economy.

We expanded our business operations in North America through the acquisition of the garage door business, Wayne Dalton, the door maintenance service company, Creative Door Services, and the automatic door distributor, Advanced Door Automation, by Overhead Door Corporation. We will build on these achievements by continuing to strengthen our core activities. We also aim to accelerate growth in the installation, repair and maintenance areas by enhancing the forward integration strategy. We will also expand in Central and South America.

Strategy	Measures	Goal
1. Expand market share of Residential products.	• Launch new garage doors and operators to meet market needs. • Enhance retail sales channel.	Increase Sales
2. Further reinforcement of foundation of Commercial door business.	• Launch new door and operator products. • Train installers at pro-channel (distributors). • Enhance sales and marketing to architects.	Increase Sales
3. Expand profit by enhancing forward integration strategy.	• Grow service business of garage doors in Canada and USA. • Expand sales of automatic door business.	Increase Sales
4. Expand sales other than in N. America.	• Expand sales in Central and South American market, such as in Brazil and Mexico.	Increase Sales
5. Improve business process and productivity.	• Enhance competitiveness and reduce cost by introducing ERP. • Optimize manufacturing network.	Expand Profit

Europe

We will pursue structural reforms and cost reductions while promoting growth by developing new products and markets in a post-EU economic crisis economy.

We will work through the sales network of our European group company, Novoferm, to establish a presence and accelerate our business expansion in new markets. We will also step up our efforts to build our service business in Europe, while also strengthening our energy conservation and solutions business and evolving from a manufacturer into a provider of solutions to customers.

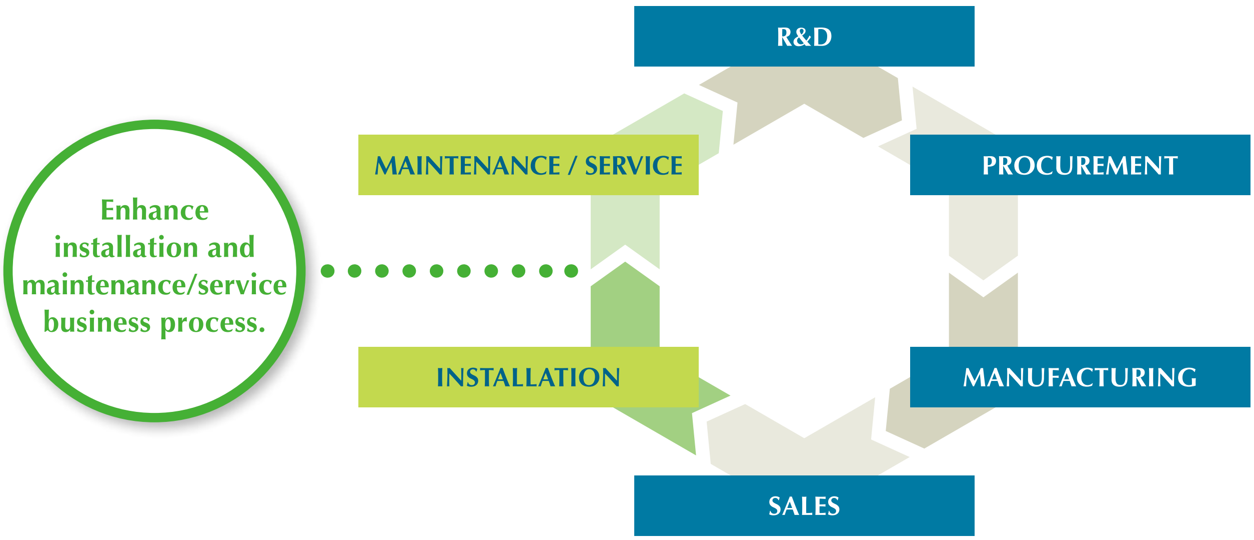
Strategy	Measures	Goal
1. Make inroads into new market. Expand sales in areas that NF has small market share.	• Open up branch and/or enter into local market. >> Scandinavia, Russia, Eastern Europe	Increase Sales
2. Expand Industrial door business.	• Enhance energy saving and solution business by launching high-speed, heat insulation products.	Increase Sales
3. Promote European service business strategy.	• Expand European service business supported by the newly established international central spare part center, which provides quick spare part deliveries.	Increase Sales
4. Enhance profitable base in major markets.	• Cost reduction by business integration by product category. >> Germany, France, Italy, Spain, UK, Benelux	Expand Profit
5. Improve profitability of Door & Frame business.	• Hinge door business restructuring in Germany and in France.	Expand Profit

2. Establishing a service-oriented business model

We will promote our business models and pursue growth as a provider of customer solutions.

One of the goals under the Sanwa Group's First Three-Year Plan under Sanwa Global Vision 2020 is to establish a global service business structure. Our core companies in Japan, the United States and Europe will pursue their own service business strategies based on local market characteristics, product structures and other factors. They will create business models that combine traditional business processes consisting of product development, procurement, manufacturing and sales, with installation and maintenance service businesses. Our aim is to establish a position for the Sanwa Group as a global solutions provider.

A Business Model Incorporating Service Business



Focus by Area

Japan (SANWA SHUTTER)

Strengthen foundation as directly-managed, community-based, local No.1 sales and service office.

Evolve business model toward company offering detailed service with high-level of expertise.

- Enhance sales and marketing to building owners.
- Improve service level to offer, such as level of maintenance service.

North America (The Genuine. The Original. OVERHEAD DOOR)

Expand growing domain with forward integration strategy.

- Growth of CDS in Canada.
- Integrate installation & maintenance service sales centers into CDS business.
- Growth of automatic door service business of Horton.

Europe (novoferm)

Transformation from manufacturer to customer solution providing company.

Promote service business strategy in Europe.

- Growth of service business by regional expansion supported by short-time deliveries of spare parts from the new established central spare part center.

3. Building our Asian businesses foundations

We will establish business models for local markets along priority goals for each area, such as winning orders from both local and Japanese companies in the region.

A key priority for our Asian businesses that carries over from the previous three-year plan is to enhance our ability to adapt our marketing activities to current trends and environmental changes in local markets. Under the First Three-Year Plan, we will strengthen the management organizations of our Asian companies and build structures to support a shift to profitable operation and income growth. We will also identify the most important priorities in each market and build marketing infrastructure through the efficient investment of management resources, so that we can develop optimized business models for local markets.

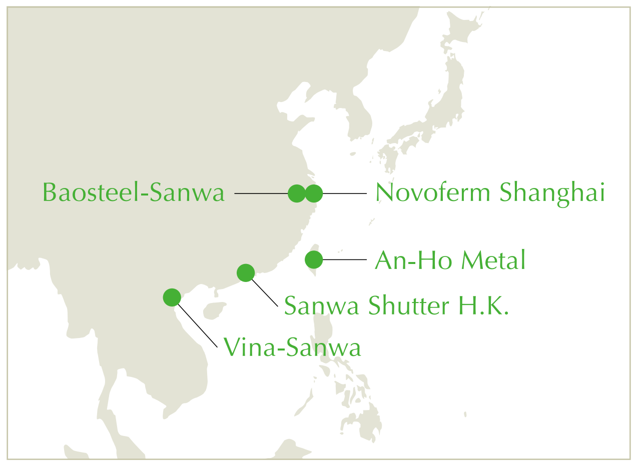
Results and Forecasts of Major Asian Companies

(Unit: Billions of yen)

	FY2010	FY2011	FY2012	FY2013 (Forecast)	FY2015 (Target)
Sales	3.1	3.4	4.2	5.6	8.2
Operating income	0.03	-0.19	-0.12	0.22	0.55

* As Asian Group companies are equity method affiliates, their targets are not included in the consolidated performance plan for FY2015.

Major Asian Companies



Asian Company Initiatives

	Priority issue	Subject to tackle
Baosteel-Sanwa	**To increase local market share by sales expansion of heavy-weight shutters.**	• Develop and manufacture economical shutter. • Enhance design and installation structure.
Novoferm Shanghai	**To expand and enhance door products order intake in commercial and residential markets.**	• Enhance sales capabilities and production capacity, improve productivity, wider product range.
Vina-Sanwa (Vietnam)	**To increase sales of steel doors for apartments in local market.**	• Develop suitable product. • Establish system of production and sales for the local market.
An-Ho Metal (Taiwan)	**To increase profit by expanding sales of value-added fire doors.**	• Cost reduction by means of specification review and method improvement, improve productivity and quality.
Sanwa Shutter H.K.	**To secure profit by gaining market share.**	• Work actively toward large-scale projects, such as redevelopment project.

4. Strategic business expansion into emerging markets

We will explore future growth avenues based on entry into new markets beyond Japan, North America and Europe.

Under the previous three-year plan, we achieved significant progress toward the globalization of the Sanwa Group. Under the Sanwa Global Vision 2020 First Three-Year Plan, we will leverage our global organization to accelerate our growth, especially in emerging countries, and to build a business organization to support our future role as a global major.

- **In consideration of geographical, cultural links, rules and regulations, and etc., most suitable business company should make inroads to the respective markets.**
- **Leverage advantage of global operational presence in Asia.**

5. Realizing global synergy effects

We will expand joint development of strategic products, joint material purchases, complementary supply of products, etc., to maximize synergy as a global company.

We will pursue synergy benefits based on our role as a global company by fully leveraging the potential of our group network spanning Japan, the North America and Europe and Asia, including the collaborative development of strategic products and the collaborative procurement of materials, as well as complementation in the supply of products.

Achieving Global Synergy

1. Launch strategic products onto global market.	• Operator Project • Global No.1 of shutter business
2. Increase procurement from low-cost countries.	• Japanese group companies, ODC and NF expand procurement from low-cost countries including China.
3. Expand complementary supply of products among group companies.	• Import/export products of one area from/ to another in accordance with local market needs.

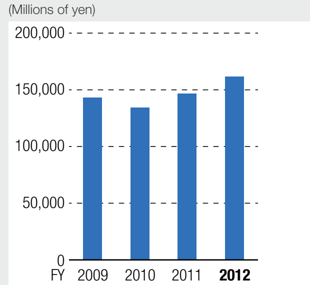
Results and Target

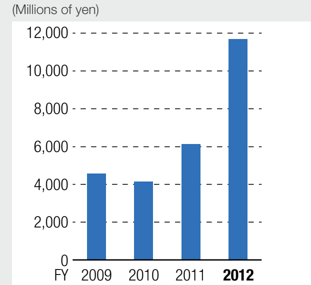
FY2012	¥ 600 million
FY2013 (Forecast)	¥ 800 million
FY2015 (Target)	¥ 2,400 million

Japan

Net Sales / **Operating Income**

Firm trends in construction demand and investment were reflected in strong sales of lightweight shutters, heavy-duty shutters and doors for commercial buildings and condominiums. Net sales increased by 10.3% year on year to ¥161,536 million. In addition to this growth in sales revenues, income also benefited from improved profit margins and lower steel prices. Segment income was 90.5% above the previous year's level at ¥11,688 million.

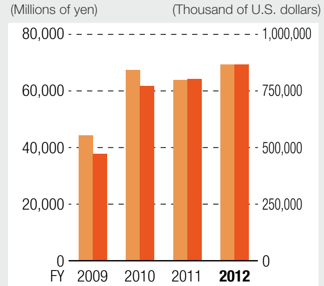


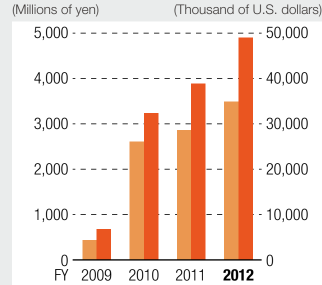


North America

Net Sales / **Operating Income**

The housing construction market continued its gradual recovery. Demand for commercial and residential doors remained strong, and revenues from contribution of acquired door service company were also higher. These factors helped to boost net sales by 8.6% year on year (8.0% in local currency terms) to ¥69,391 million. Segment income was 21.6% higher at ¥3,486 million. In addition to higher revenues, this growth also resulted from improved profitability and in-depth cost control measures.



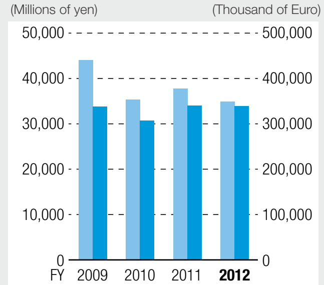


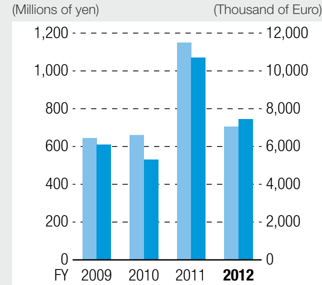
■ Segment figures (left scale) ■ Figures of ODC (right scale)

Europe

Net Sales / **Operating Income**

Despite the generally stagnant state of European markets, demand for industrial doors and non-residential hinged doors remained comparatively strong. However, garage door sales were lower due to the contraction of housing markets in Germany, neighboring western European countries and southern Europe. Net sales were 7.7% lower year on year (0.6% lower in local currency terms) at ¥34,884 million. In addition to lower sales, income was also affected by increases in labor costs and other cost items, with the result that segment income declined by 38.7% year on year to ¥705 million.





■ Segment figures (left scale) ■ Figures of NF (right scale)

Asia

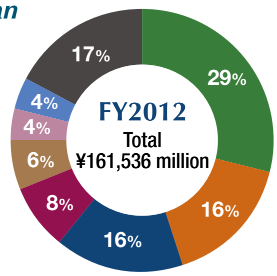
In China, Shanghai Baosteel-Sanwa recorded higher sales but lower income compared with the previous year's results. The financial results for Novoferm Shanghai were also lower year on year because of the continuing stagnation of the housing market due to monetary tightening and other factors. In Vietnam, Vina-Sanwa recorded year-on-year growth in both sales and income and achieved a positive income result for the first time. The Taiwanese company An-Ho Metal Industrial achieved year-on-year increases in both sales and income despite the postponement of major projects and other factors linked to an economic slowdown. In Hong Kong, Sanwa Shutter H.K. recorded higher sales than in the previous year, but its income was lower.

Japan

Sales by product in Japan

Main Products

- BUILDING & CONDOMINIUM DOORS
- LIGHTWEIGHT SHUTTERS
- HEAVY-DUTY SHUTTERS
- STOREFRONTS
- STAINLESS STEEL PRODUCTS
- PARTITIONS
- WINDOW SHUTTERS
- OTHERS



Built-in solar-powered shutter gate "Sangate Solar"

"Sangate Solar" is a shutter gate powered by solar panels attached to the top of the gate. The stored electricity is used as emergency power.

Solar-powered window shutter "Madomore Screen S solar type"

"Madomore Screen S solar type" requires no external power, since electricity to open and close the shutter is supplied by a built-in solar panel attached to the shutter case. House wiring is unnecessary, making it the optimal window shutter for remodeling.

Aluminum partition "AP–2"

A new product, "AP–2" has been released in Sanwa's aluminum commercial partition series. "AP–2" can shorten the on-site installation time by about 15% due to its exceptional ease of set up while realizing an outstanding appearance.

All Sanwa Group companies in Japan, led by Sanwa Shutter Corporation, continued their efforts to expand orders and strengthen profitability by diversifying product ranges and improving productivity. The result was a major contribution to the Sanwa Group's financial performance, including substantial increases in revenues and income. The full strength of the Sanwa Group in Japan was focused on the diversification of product ranges and the expansion of business models, especially in the area of services. Another priority was reinforcement of the Group's ability to cope with an uncertain market environment.

Overview of Operations and Financial Results in the Year Ended March 2013

The Sanwa Group in Japan, including Sanwa Shutter Corporation and domestic subsidiaries, is developing business activities in the areas of construction materials for commercial buildings, residential construction materials and maintenance and renovation services. In the shutter category, the Group manufactures and sells heavy-duty and lightweight shutters and other items. In addition to its shutter business, the Sanwa Group is also strengthening its product ranges in other areas, including doors, storefronts, partitions and stainless steel products.

In the year ended March 2013, the Japanese economy was underpinned by reconstruction demand following the Great East Japan Earthquake, and both capital investment and housing investment rallied, but economic conditions remained difficult because of the global economic slowdown and other factors. However, expectations of economic recovery rose in response to the economic policies introduced by Japan's new cabinet and bold monetary easing by the Bank of Japan. These factors, together with the correction of the historically high value of the yen and a major uptrend in stock prices, were reflected in improving economic confidence.

In this business environment, the first priority for Sanwa Group companies in Japan was to expand orders. Group companies also worked to diversify their product ranges and build closer collaboration within the group through business restructuring measures that included the integration of the sales divisions of domestic subsidiaries.

Sanwa Shutter Corporation is the core company in the Sanwa Group. Its sales of lightweight shutters increased by 9.4% over the

In the half-century since its establishment, Sanwa Shutter Corporation has worked consistently to build a position for itself as the leading manufacturer of construction materials in each region by building close relationships with customers as a supplier of shutters, doors,stainless steel, partitions and other products. We have further improved customer satisfaction by strengthening our full-time service organization to ensure a timely response to urgent repair needs and maintenance requirements.

We will continue to fulfill our mission by supporting efforts to bring about an early recovery in areas affected by the Great East Japan Earthquake and by developing and supplying eco-friendly products under our environmental policy. We remain totally committed to our unchanging goal of making a significant contribution to society by helping to improve the quality of life for people everywhere.

Sanwa Shutter Corporation President & CEO **Kazuhiko Kinoshita**

previous year's total, while sales of heavy-duty shutters were 8.8% higher, reflecting strong investment in the construction of office buildings, warehouses and other facilities. Sales of doors for office buildings and condominiums were substantially higher year on year with a 17.3% increase driven by the construction of office buildings, condominiums and medical facilities. Sales of maintenance services were lower because of the effect of earthquake-related demand in the previous year. However, overall results were underpinned by trends in other segments, with the result that the net sales of Sanwa Shutter Corporation increased by 11.0% year on year.

Other group companies in Japan also achieved significant growth. A recovery in the retail store market helped Showa Front to record a 10.4% year-on-year increase in sales. A recovery trend also allowed Okinawa Sanwa Shutter to increase its sales by 9.4% year on year, while Sanwa Tajima achieved 12.0% growth thanks to the completion of projects in progress.

There was strong growth in income. The income of Sanwa Shutter Corporation was dramatically higher with a 111.5% year-on-year increment. There was also conspicuous improvement in the income of other group companies in Japan. As a result, net sales increased by 10.3% over the previous year's level to ¥161,536 million, while segment income was 90.5% higher at ¥11,688 million.

Trends in the Japanese Business Environment

Strong trends are estimated for the Japanese economy. In addition to an improvement in overseas economic trends, Japan will also benefit from a shift to export growth aided by the correction for the overvalued yen, as well as a last-minute demand surge ahead of the consumption tax increase.

The priorities for the Sanwa Group in this environment are the further diversification of product ranges and the expansion of and enhancement of service businesses. We are working toward these goals under the First Three-Year Plan, which is the first medium-term plan under our long-term management vision, Sanwa Global Vision 2020, which was launched in fiscal 2013.

The markets for heavy-duty shutters and doors for commercial buildings and condominiums are expected to remain strong. This is reflected in a forecast of 4.7% year-on-year sales growth for Sanwa Shutter Corporation. Marginal sales growth of 0.2% year on year is predicted for other group companies in Japan.

Strategies and Initiatives

The year ending March 2014 is the first business year of the First Three-Year Plan. We will focus our energies on the reinforcement of the structures needed to ensure the achievement of our goals. Within Japan, we will step up our restructuring efforts with the aim of creating a business model that will reduce our reliance on shutters.

In June 2012, Sanwa Shutter Corporation launched the Candy II range of domestic garage doors. The result of a product development initiative made possible by global synergies between Japan and the United States, these doors have strong American design elements and feature Wayne Dalton brand panels supplied by ODC, a U.S. member of the Sanwa Group.

The Sanwa continued to expand its range of environment-friendly residential products. In August 2012, we introduced the Coffret Garden, a rooftop greening system for "Caporage" detached garages. The rooftop planting reduces the build-up of summer heat inside the garage and adds a pleasant touch of greenery to the home. This was followed in November 2012 by the launch of the Sangate Solar, a residential shutter gate operated using power generated from the natural energy of the sun. In December 2012, we introduced the Madomore Screen S solar type window shutters, which are powered solely by electricity produced by solar panels.

In August 2012, the front sash manufacturer and seller, Ace Co., Ltd. was acquired by Showa Front Co., Ltd., a member of the Sanwa Group, with the aim of expanding its front sash business.

We will continue to diversify our product ranges by building on these achievements.

North America

Genie Matamoros Plant to start operation

Genie is consolidating electronics and commercial operator assembly into a new facility in Matamoros, Mexico. To cut labor and overhead cost, the production base for commercial operators was moved to Mexico. Utilizing the shelter manufacturing system in Matamoros, ODC continues to drive lower product cost.

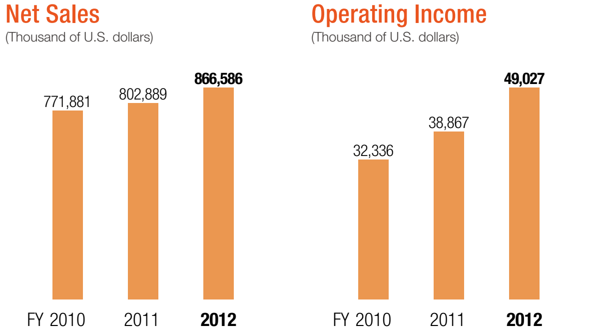
GHX (Heavy Duty)

Genie commercial garage door openers, which meet the UL standards, were launched to distributors and sales centers. Leveraging the broad network, Genie is to expand sales and market share.

Horton/Door Services acquired Door Controls Inc. and Advanced Door Automation LLC

Door Services, ODC's subsidiary company, acquired Door Controls Inc. in Louisiana and Advanced Door Automation LLC in North Carolina, which sell and install automatic doors. ODC aims for high profitability and growth opportunities by developing a forward integration strategy through enhancement of maintenance service and installation network.

Performance of Overhead Door Corporation (ODC)



* ODC's fiscal year is from Jan. 1 to Dec. 31

A gradual recovery in the U.S. housing market was reflected in a healthy trend in the performance of the U.S.-based company Overhead Door Corporation (ODC). In local-currency terms, net sales increased by 7.9% year on year, and income was substantially higher with a 26.1% increment thanks to the reduction of operating costs.

Overview of Operations and Financial Results in FY 2012

The Sanwa Group's activities in the United States center on Overhead Door Corporation (ODC), which is based in Dallas, Texas. ODC manufactures and sells overhead doors, shutters, door openers and other products for commercial and residential use. In addition to residential and commercial overhead doors sold under the Overhead Door and Wayne Dalton brands, the company also supplies Genie door operators, Horton Automatics automatic doors and TODCO truck and trailer doors. ODC has continued to consolidate its business base in the North American market with the acquisition of the door manufacturer Wayne Dalton in December 2009 and the door maintenance service company Creative Door Services in December 2011.

Despite fears of a "fiscal cliff" the U.S. economy benefited from an improvement in the employment situation in the year ended December 2012. There was also a gradual recovery trend in the housing construction market. One of the priorities for the Sanwa Group in this economic environment was to achieve effective synergies with newly acquired companies. We also worked to build our service businesses and maintain flexible pricing policies linked to fluctuations in the cost of materials. At the same time we continued to target cost reductions through tighter cost management and improvements in transportation efficiency.

As signs of improvement began to appear in the U.S. housing market, we worked to develop synergies made possible by the Wayne Dalton (WD) merger while also promoting sales of new-model door openers and services. ODC continued to strengthen the competitiveness of its automatic door business and expand its maintenance service business. It acquired Door Control, a U.S. distributor of automatic doors, in May 2012 and Advanced Door Automation (ADA) in October 2012. The acquisition of these door service companies also contributed to the performance of the automatic door business.

Overhead Door is coming off of a good year in 2012 where we achieved a 26% operating income improvement and gathered some positive momentum moving into 2013. While as the media tells us the US economy is on the mend, in our segment, it is slower than anticipated. Despite the intermittent economy, we have made great strides in growing our capabilities by attracting and continuing to develop talented, what we call "Powerful People" in key roles. In addition, in our second year of deploying new systems technology, we have completed the design phase and are moving through testing with implementation scheduled in 2015. We are also making progress on our three-part strategy: (1.Grow the Core 2.Forward Integration 3.Grow International)

We remain confident that with the continued support of our parent company we will achieve our ambitious long range growth and earnings goals.

Overhead Door Corporation CEO **Dennis Stone**

Sales from the overhead door business increased by 9.9% year on year, thanks to the combined effects of a recovery trend in the commercial door and garage door markets and the acquisition of Creative Door Services. Sales in the door opener category were 1.6% higher, reflecting strong demand for products for commercial facilities. Sales growth in the automatic door business was marginal at 0.4% year on year because of cutbacks in public sector spending. A continuing recovery in the trucking business resulted in substantial growth in sales from the truck and trailer door business, which were 17.0% higher year on year.

Total net sales in North America increased by 8.6% (8.0% in local currency terms) to ¥69,391 million. This sales growth, combined with efforts to improve profitability and tighten cost management, resulted in substantial growth in segment income with a 21.6% year-on-year increase to ¥3,486 million.

Trends in the Business Environment

In the United States, a slow economic recovery is likely to result in slow trends in both the residential and non-residential categories in the year ending March 2014. However, new housing starts and other housing market indicators are expected to strengthen in step with the recovery of the U.S. economy.

We expect this recovery in the U.S. economy to drive the growth of the Sanwa Group's North American business. We will also work to build our market share and maintain our number one position in industry leadership while also improving our profit ratios through further cost savings. Another goal is to expand our growth frontiers under the forward integration strategy based on synergies within the ODC Group.

In the housing market, we expect the year ending March 2014 to bring sales growth in both the garage door and door opener segments. Sales of commercial doors are also expected to rise in step with a gradual recovery in capital expenditure. We also anticipate a continuing recovery and sales growth in the truck and trailer door segment. In addition, the correction of the overvalued yen is expected to continue. On this basis, we are predicting year-on-year sales growth of 7.9% in the year ending March 2014.

Strategies and Initiatives

We are determined to ensure that our U.S. business benefits fully from the recovery of the U.S. economy. We will continue our efforts to strengthen and expand our core activities while focusing on key priorities under our First Three-Year Plan.
One goal is to achieve further growth in our share of the market for housing-related products. We aim to achieve this by introducing new products, including garage doors that match market needs and high-added-value door openers, and by strengthening our promotion activities at home centers and other retail channels.

We will also continue our efforts to strengthen our presence in the commercial door market by introducing new products, such as energy-efficient thermally insulated doors and commercial door openers, an area in which we lead the market. We will also provide training for installation technicians through distributors, which are our sales channels for professionals. In addition, we will strengthen our installation and maintenance service capabilities with the aim of improving profitability and expanding growth areas.

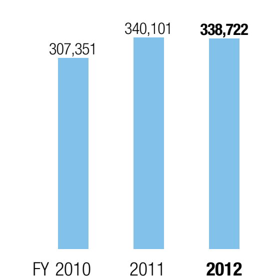
Another priority will be the expansion of sales outside of North America through marketing initiatives in Brazil, Mexico and other Central and South American countries. We will also target further improvements in productivity and efficiency by establishing production operations in Mexico.

Continuing the improvement of our business processes, we will introduce a new systems technology based on enterprise resource planning (ERP). We aim to strengthen competitiveness, reduce management costs, improve productivity and optimize our production network.

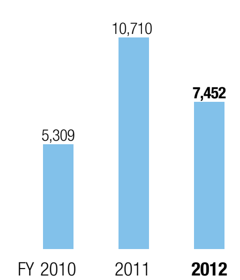
Europe

Performance of Novoferm (NF)

Net Sales
(Thousand of Euro)



Operating Income
(Thousand of Euro)



* NF's fiscal year is from Jan. 1 to Dec. 31

BAU 2013 – a great success with a new stand concept

Novoferm joined the Bau fair in Munich in January very successful. The Bau fair is with around 2.000 exhibitors and 235.000 visitors the world leading fair for building materials. Novoferm presented the products in a new concept structured in application fields (e.g. office, hotel, private, logistics) to show the possibilities of our broad product range.

NovoSpeed Thermo – combines efficiency with energy saving

NovoSpeed Thermo is a new, fast acting sectional door with an opening speed more than 2 m/s. The outstanding U-Value of < 1,1 W/m²K for a door of 5000 x 5000 mm is a unique selling proposition in the European market. The NovoSpeed Thermo is available in dimensions up to 6000 x 6000 mm and includes an innovative hermetical closing system through special side seals.

New Novoferm operators – with modern and environmentally friendly LED

With the market introduction of our new operator range we combine low standby energy consumption with new LED technique. The LED lights are 13 times brighter than conventional bulbs of identical wattage,extremely durable for a practically unlimited working life andoptimized in energy consumption.

Novoferm (NF) was affected by a downturn in the garage door market resulting from decelerating economic trends in Europe. Net sales were 0.4% lower year on year in local currency terms, while operating income declined by 30.4%.

Overview of Operations and Financial Results in FY 2012

The core of the Sanwa Group's business activities in Europe is the Novoferm (NF) Group. Based in Germany, the NF Group is Europe's second-biggest manufacturer of door-related products. In addition to its operations in Germany, the NF Group has sales and manufacturing operations in France, the Netherlands, Italy, Poland, Spain, the United Kingdom and South Korea. It manufactures and sells residential doors, door frames, garage doors and other products throughout Europe and in South Korea.

In the year ended December 2012, harsh economic conditions continued throughout the eurozone. While trends in the German housing construction market remained basically firm, the eurozone as a whole was affected by a slump in consumer spending under the impact of fiscal austerity measures implemented in various countries in the wake of the European debt crisis and by the downturn in the southern European economies.

The NF Group responded to this situation by working to expand order and sales volumes through increased sales promotion activities in the relatively strong German market. These efforts were paralleled by radical countermeasures, including business restructuring in southern Europe, and a shift to procurement from China as a way of reducing costs.

These measures resulted in 4.0% year-on-year sales growth in Germany, but there were declines of 2.2% in France, 5.7% in Italy and 1.4% in the Netherlands.

Segment sales figures show that sales of garage doors were 2.9% lower year on year because of market contraction in southern Europe and the Netherlands. Sales of hinged doors were 1.5% higher, while in the industrial door category there was also a marginal increase of 1.0% in sales of dock equipment, etc.

Net sales of Novoferm declined by 0.4% year on year in local currency terms, while operating income was 30.4% lower because of increases in labor costs and other cost items, which could not be absorbed due to reduced garage door sales.

Europe is still suffering from the ongoing economic crisis. High unemployment rates and uncertainties about the future lead to an overall reluctant consumption in a lot of countries. This general condition is also influencing the construction industry negatively and is the challenge everybody is faced with. Under these severe market conditions the Novoferm Group is doing well by concentrating on efficiency improvements and cost reductions. We are following our strategy to differentiate ourselves clearly from the competitors by offering better products and service solutions. We are introducing innovative solutions, like the new "Novospeed Thermo" door, which combines an excellent insulation performance with high speed opening; it's a perfect solution for energy-saving. Furthermore, our new garage door operator line offers excellent performance combined with low energy consumption. The harmonization of the European norms will also open up the way to new market and segments. We have already developed solutions based on a modular system platform. This gives us the possibility to adapt our products to new markets in a speedy way.

Overall, the Novoferm Group is well prepared for the challenges of the next years and we will continue in our successful way.

Novoferm Group CEO **Rainer Schackmann**

In yen terms, total net sales in Europe decreased by 7.7% to ¥34,884 million year on year.

Business Environment and Trends

A generalized economic recovery in Europe is unlikely in the year ending March 2014, and challenging conditions are expected to continue. A full-scale recovery is not expected to emerge before the year ending March 2015. However, current predictions suggest that the German economy will be able to maintain positive growth in this environment.

Despite a strong sense of uncertainty surrounding the market, the Sanwa Group anticipates a firm underlying trend in the German economy. By focusing on the capture of projects in Germany, the Group expects to achieve year-on-year sales growth of 1.9%. Income is expected to increase by 7.3%, in part because of the benefits of restructuring in France.

We predict that sales of garage doors will remain static because of lower sales in southern Europe. However, sales of hinged doors and industrial doors are expected to rise thanks to aggressive marketing targeted toward major projects and the introduction of new products.

Strategies and Initiatives

Future initiatives relating to the Sanwa Group's business activities in Europe will focus on the strengthening of the business structures of existing companies so that they can better cope with the impact of the European fiscal crisis. Specific measures will include the restructuring of group companies in southern Europe, which have been affected by the crisis, and increased cost reduction efforts.

In April 2012, we established Novoferm U.K. as a joint venture with Hobbs Industries, a garage door manufacturing company and owner of the Cardale brand, and the Garage Door Company, a major British garage door dealer. This company is now working energetically to develop its business activities and build its share of the British garage door market by expanding its product line-up, which includes both Cardale brand and NF brand products.

In addition, the Sanwa Group will also pursue growth by actively opening branches and expanding into other markets, including the Scandinavian countries, Russia and Eastern European countries.

Our product and service strategies call for further expansion of our energy-saving solutions business through the introduction of new products, including high-speed sectional doors with improved opening and closing speeds for the industrial market, as well as products with thermal insulation. We will also develop and market unique new products, including software to monitor the opening and closing of doors.

In addition, we will strengthen the service business by utilizing the newly established European spare part center which delivers all spare parts with short delivery times europewide. We will also establish a business model centered on the provision of solutions to customers' needs.

Another goal will be the reduction of costs through the integration of business operations for each production category in the major markets of Germany, France, Italy, Spain, the United Kingdom and the three Benelux countries. At the same time, we will strengthen the Group's income base by restructuring the hinged door business in Germany and France and improving the profitability of the door and frame business.

Asia

Dolphin Plaza

Vina-Sanwa, our subsidiary in Vietnam has supplied fire rated steel doors to luxurious and modern condominiums.

We are devoting considerable effort to the reinforcement of the Sanwa Group's business base and manufacturing and sales organizations in Asia, following similar initiatives in Japan, the United States and Europe. In FY 2012, the aggregate net sales of our five key group companies in the region, which are based in Hong Kong and Shanghai, China, and in Vietnam and Taiwan, increased by ¥800 million year on year to ¥4.2 billion.

Overview of Operations in FY 2012

Our Chinese joint venture, Shanghai Baosteel-Sanwa, manufactures and sells heavy-duty shutters and overhead doors. In the year ended December 2012, an economic slowdown in China and monetary tightening by the government caused drastic cooling of the markets for housing and commercial facilities. Shanghai Baosteel-Sanwa focused on sales activities to projects from Japanese-affilliated companies. It also collaborated with NF Shanghai and strengthened its production systems, while also working to enhance its sales capabilities—including the expansion of sales operations in regions other than Shanghai and the Yangtze Delta. These initiatives brought growth in both orders and sales, but operating income was lower year on year.

NF Shanghai, which manufactures and sells steel doors in China, is working with Baosteel-Sanwa to capture local demand for doors. It has an advantage in the Chinese market thanks to its ability to manufacture fireproof doors, having obtained government approval. In FY 2012, the company expanded its door production facilities and increased monthly production capacity to 4,000 doors. However, monetary tightening caused a downturn in construction of condominiums and detached housing, and there was also a downward trend in demand for doors for use in medical institutions and other facilities. This resulted in lower figures for net sales and operating income.

Vina-Sanwa manufactures and sells shutters and doors in Vietnam. In FY 2012, it faced challenging conditions, including monetary tightening. It responded by strengthening its marketing infrastructure, including the reinforcement of its organizations in Hanoi and Ho Chi Minh City. These efforts brought year-on-year growth in both net sales and operating income, enabling the company to achieve a positive income result for the first time since its founding in 2008.

An-Ho Metal Industrial is building a door and shutter business in Taiwan. In FY 2012 it faced a number of challenges, including the postponement of major projects due to a prolonged slowdown affecting the entire Taiwanese economy. However, the company was able to strengthen its income structure by improving productivity and pursuing orders with the emphasis on profitability, and both net sales and income exceeded the previous year's results.

Established in Hong Kong in 1986, Sanwa Shutter H.K. was a frontrunner in the globalization of the Sanwa Group. It is involved in the door and shutter business. Aggressive marketing, including sales activities targeting redevelopment projects, resulted in year-on-year growth in net sales. However, operating income fell short of the previous year's figure.

These Asian companies in the Sanwa Group will continue to strengthen their management structures and build business structures capable of delivering positive income results and income growth. They will also continue to develop business models that match local markets by taking steps to deal with priority targets in their regions, including the reinforcement of their capacity to respond to local projects. Strategies to strengthen business structures in Asia include the efficient investment of management resources, and the expansion of joint development of strategic products and reciprocal procurement of materials and products through our group network in Asia.

Compliance

The Sanwa Group is determined to meet public expectations and earn the trust of society. We have established a Compliance Code of Conduct, and implemented a range of measures designed to make the concepts contained therein an integral part of our corporate culture.

The Compliance Code of Conduct defines the specific rules of behavior to follow when translating the mission, corporate philosophy and values of the Sanwa Group and the spirit of our behavior guidelines, into actual conduct.

Employees learn about the Compliance Code of Conduct through in-house training and other activities. The purpose of these activities is to ensure legal compliance and to instill judgment and conduct that comply with public expectations.

We also monitor employee awareness of compliance issues through surveys. The findings are used to identify and remedy issues through ongoing improvement activities.

The Sanwa Group is committed to improving its process for prevention and early discovery of improper conduct that violates the law. To this end, we have introduced a corporate ethics hotline as part of our objective to promote compliance with laws and public expectations. The ethics hotline office can receive reports by phone, fax or through the Internet, and handles company-internal or external cases.

The Sanwa Group's CSR Promotion System

- The CSR Promotion Council proposes initiatives and development of Group-wide CSR activities.

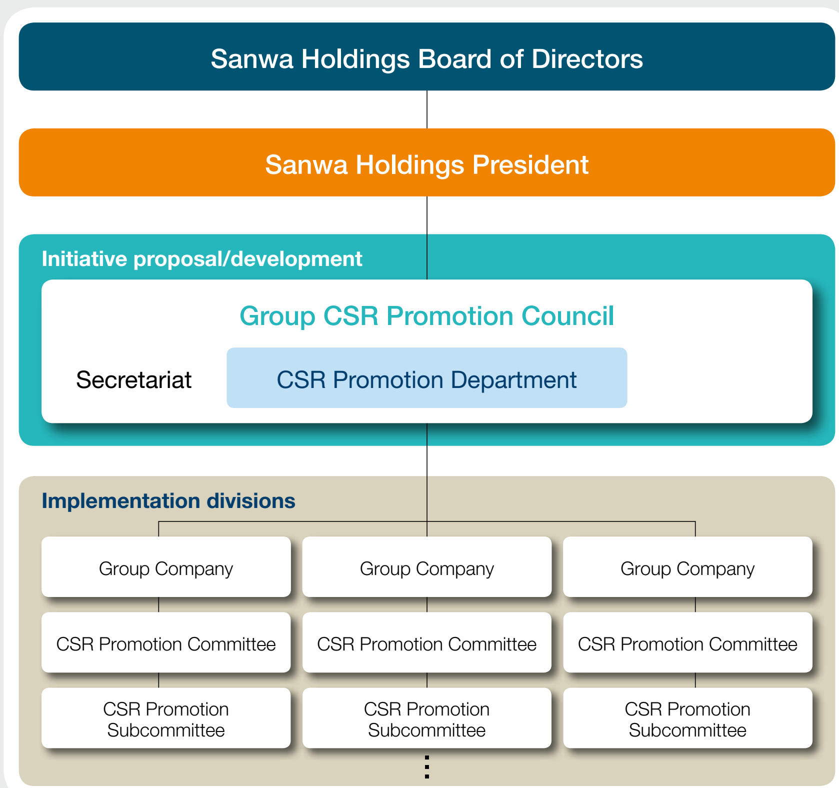
  Chairman: Officer in charge of Corporate Planning Unit

  Members: Officers in charge of divisions, general manager of Audit Department and Group Company Presidents and others

- Group companies establish CSR Promotion Committees and CSR Promotion Subcommittees to coordinate CSR activities.

- The CSR Promotion Department serves as the secretariat for the Group CSR Promotion Council and CSR promotion activities in general.

CSR Promotion Organizational System



Risk Management

Our risk management systems are designed to detect potential risks (factors that may adversely affect or hinder business activities) in advance at all stages of our operations at every group company and business unit. We can then implement countermeasures to prevent these risks from causing actual problems.

We are developing our risk management systems by applying the PDCA cycle. We work to detect risks promptly and then analyze and evaluate them to identify which risks are critical. Next, we devise and implement countermeasures. After implementation, we evaluate the countermeasures and continue them when necessary.

Environmental Protection Activities

The Sanwa Group has formulated the Sanwa Group Environmental Policy and is firmly committed to environmental preservation activities based on the policy.

We have also designated June 10 as "Sanwa Environment Day" to raise our employees' awareness of the need to protect the environment and to promote environmental protection activities. On this day, group company employees participate in community clean-up campaigns in the areas around our various business sites, and similar environmental activities. Also, with the primary aim of reducing CO_2 emissions, our manufacturing units have developed energy conservation measures that cover proper operation of machinery and equipment as well as thorough monitoring of energy usage, and our sales units take care to follow eco-friendly driving practices when using company vehicles.

Sanwa Group Environmental Policy

Basic Philosophy

As globally integrated manufacturers of building materials, the Sanwa Group contributes to the realization of an enriched society capable of sustainable development through environmentally responsible business activities and the supply of environment-friendly products and services.

Basic Policies

1. To comply with legal systems and other requirements related to the environment, and communicate with society.
2. Appropriately assess impacts on the environment, set objectives and goals, and continuously work for the preservation and improvement of the environment.
3. Promote conservation and recycling of natural resources and energy, and endeavor to prevent pollution, for example through the reduction of waste.
4. Actively promote the development of environment-friendly products, and endeavor to improve our technological level further.
5. Endeavor to raise the awareness of environmental preservation of all people working for the Sanwa Group by ensuring they understand this Environmental Policy and providing them with information about the environment.
6. Encourage the companies that cooperate with us in our business activities to undertake environmental preservation initiatives, and endeavor to support their efforts to do so.

In order to promote the above policies we will endeavor to implement, maintain and continuously improve our environmental management system.

Sanwa Group seeks to contribute to society primarily through on community-based employee participation activities, to fulfill our roles and responsibilities as a member of the community.

Sanwa Group Social Contribution Policy

The Sanwa Group wants to be part of a society in which people can enjoy happy, fulfilling lives. We will help to build such a society through our continuing social contribution activities, and through human resource development initiatives designed to enrich the wider human characteristics of our employees.

1. The Sanwa Group will contribute to society through products and services of the highest quality.
2. As a good corporate citizen, the Sanwa Group will contribute to the development of local communities.
3. The Sanwa Group will provide effective support for social contribution activities involving its employees.

The Social Contribution Club

The Sanwa Group Social Contribution Club was established in November 2006 to commemorate the 50th anniversary of the founding of Sanwa Shutter Corporation. The Club carries out social contribution activities using funds that include donations from executives and employees.

In the year ended March 2013, a total of ¥3.9 million was donated to eight organizations. The following are some of the messages of appreciation that were received from these organizations.


Left: Ms. Kojima of JEAN
Right: Mr. Kinoshita of the Social Contribution Club Administration Committee

"We are sincerely grateful for your donation to support the activities of our organization. Ocean trash is an international environmental problem about which there is still little public awareness in Japan. Through our ongoing activities, we are cleaning up drifting trash and gathering data about the problem. It will take time before the areas affected by the problem start to show improvement. However, contributions such as yours help to sustain our activities and encourage us to continue. We will ensure that your donation is used to achieve the greatest possible benefit.

—Japan Environmental Action Network (JEAN)"


Left: Mr. Kanno of JOICFP
Right: Mr. Yamamoto of the Social Contribution Club Administration Committee

"Thank you very much for your recent donation. Everyday throughout the world around 800 women lose their lives as a result of pregnancy and childbirth. Our organization is working to improve public health and medical facilities and healthcare services and give women the knowledge to protect their own health, so that as many women as possible can go through pregnancy and childbirth safely.

—Japanese Organization for International Cooperation in Family Planning (JOICFP)"


Left: Ms. Palmer of Second Harvest Japan
Right: Mr. Maeda of the Social Contribution Club Administration Committee

"We would like to express our heartfelt appreciation for the donation that we have received from the Sanwa Group Social Contribution Club. We will use these funds with great care to provide food support for children in care facilities, families in refuges for domestic violence victims, and people suffering from poverty.

—Second Harvest"

In June 2013, Social Contribution Club members helped Second Harvest to collect food from manufacturers and farmers and distribute it to those in need. Although still edible, the food was destined for disposal.

Board of Directors

(As of June 26, 2013)

Masahiro Fukuda, Tamotsu Minamimoto, Yasushi Takayama, Toshitaka Takayama, Ichiro Ueeda, Wadami Tanimoto, Shunsaku Hashimoto

Board of Directors, Statutory Audit & Supervisory Board Members and Executive Officers

(As of June 26, 2013)

Representative Director
President CEO&COO
Toshitaka Takayama

Representative Director
Executive Vice-President
Deputy President
Tamotsu Minamimoto

Director
Senior Managing
Executive Officer
Overseas Business Unit
Wadami Tanimoto

Director
Senior Managing
Executive Officer
Corporate Planning Unit
Yasushi Takayama

Director
Senior Managing
Executive Officer
Domestic Business Unit
Ichiro Ueeda

Director
Senior Executive Officer
Subleader,
Overseas Business Unit
Americas Business
Masahiro Fukuda

Outside Director
Shunsaku Hashimoto

Standing Statutory Audit &
Supervisory Board Member
Toshiaki Nakaya

Standing Statutory Audit &
Supervisory Board Member
Jiro Ichioka

Statutory Audit &
Supervisory Board Member
Katsuhiko Tanabe

Statutory Audit &
Supervisory Board Member
Jumpei Morimoto

Senior Executive Officer
Subleader, Overseas
Business Unit
Sampei Kametaka

Senior Executive Officer
General Manager,
General Affairs Dept.
Tatsuto Satsuka

Senior Executive Officer
President,
Okinawa Sanwa Shutter
Corporation
Mamoru Hikita

Senior Executive Officer
Strategic Re-Engineering Unit
Hiroatsu Fujisawa

Executive Officer
Asia Business
Tsunahiro Watanabe

Executive Officer
President,
Sanwa Tajima Corporation
Mikio Kurusu

Executive Officer
Europe Business
Takenobu Hoizumi

Executive Officer
President, VINA-SANWA
Company Liability Ltd.
Hidemine Yasui

Audit & Supervisory Board Members

(As of June 26, 2013)

Katsuhiko Tanabe, Toshiaki Nakaya, Jiro Ichioka, Jumpei Morimoto

Basic Stance on Corporate Governance

Sanwa Holdings Corporation is a global corporation with group companies in the United States, Europe and Asia including China. Our basic approach to corporate governance is to continuously raise our corporate value through fair and equitable business transactions in a business environment characterized by intense global competition. To this end, the Sanwa Group seeks to build a highly transparent system that allows us to effectively achieve our corporate vision.

In accordance with this approach, we have introduced an executive officer system to separate the decision-making function of the Board of Directors from the business execution function of the executive officers. We undertook this initiative to strengthen management effectiveness and to give the Board of Directors oversight of business execution as exercised by the executive officers. Preceding this, we moved to a holding company structure in October 2007 with three purposes: 1) to improve group-level governance, 2) to strengthen the competitiveness of operating companies and 3) to reinforce group-level strategic functions. We will continue to work to better fulfill of our corporate governance obligations by preparing systems that ensure competence in business operations.

Internal Control System

Pursuant to "System to ensure conformance of execution of duties by directors and employees to laws, ordinances and articles of incorporation" as provided in Article 362, paragraph 4, item 6 of the Companies Act, the Basic Policy on Internal Control System was adopted by resolution at a meeting of the Board of Directors held on May 15, 2006. In accordance with the resolution, the Company has established and implemented an internal control system, has established prescribed standards and procedures in each business operation to ensure that the Company's internal organizations are operated soundly, effectively, and efficiently, free from improprieties, mistakes, and errors, and has implemented controls based on the standards and procedures.

Risk Management

In accordance with the basic matters pertaining to risk management established in the Risk Management Regulations, the Company identifies, shares, and mitigates risks and strives to minimize loss in the event an emergency occurs. In addition, the Company is developing a groupwide risk management system consisting of Risk Management Guidelines and Crisis Management Guidelines, which stipulate procedures from reporting when an emergency occurs to recovery measures.

Corporate Governance Structure

Sanwa Holdings has established a Board of Directors and a Audit & Supervisory Board. The Board of Directors is composed of seven members, including one outside director, and the Audit & Supervisory Board has four corporate audit & supervisory board members, including two outside audit & supervisory board members. The outside directors and audit & supervisory board members have been designated to play an independent role.

The Board of Directors Meetings and the Audit & Supervisory Board Meetings are normally held once per month. The Board of Directors makes important management decisions based on their considered judgment and supervise the execution of the directors' responsibilities. To maintain and enhance management effectiveness, the Board consists of directors who are very familiar with Sanwa's operations and an outside director with keen insight gained from a wealth of corporate management experience.

The Audit & Supervisory Board monitors the status of business execution by the Board of Directors and the executive officers, issue reports on their findings, and ensure that management actions are legal and proper. To increase the effectiveness of audits, they have been granted independence combined with enhanced responsibilities and authority. In partnership with the Audit Department, the corporate audit & supervisory board members ensure that the business is in sound financial health and pursue compliance with rigor and consistency across the Sanwa Group.

In fiscal 2012, the Board of Directors met 14 times with a 97.6% attendance rate for directors and corporate audit & supervisory board members, and the Audit & Supervisory Board met 12 times with a 97.9% attendance record.

We have also established a Group Strategy Committee as an advisory body to the Board of Directors. This council conducts high-level examination and coordination of group management policies as well as business management plans and budgets, and formulates medium-to-long term group strategies. They also deliberate matters pertaining to group-level strategies, offer their recommendations on these matters, and work with the Board of Directors to ensure timely and effective business decisions.

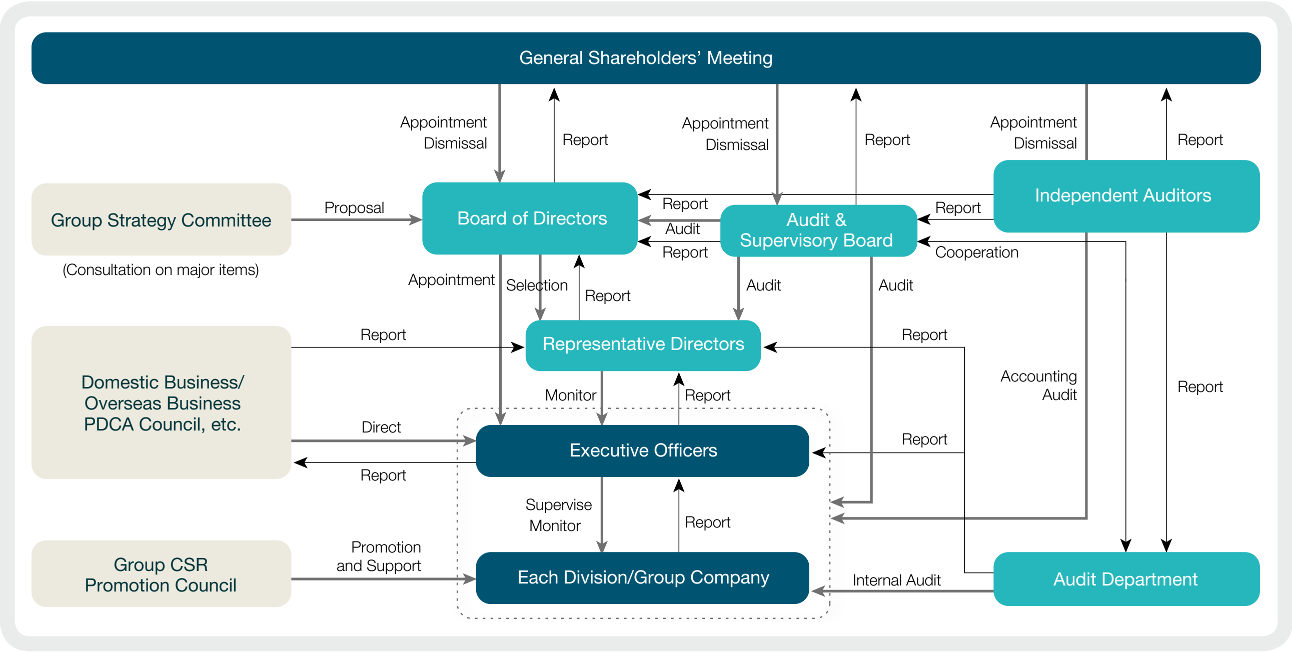
Supervision and audits of the detailed status of business execution is carried out at the PDCA Council, held quarterly by the directors, executive officers and audit & supervisory board members, and similar organizations. The directors monitor progress against the management plan and provide guidance on management issues, while the corporate audit & supervisory board members audit the state of business execution by the executive officers.

To develop a consistent set of CSR activities across the Sanwa Group, the Group CSR Promotion Council, run by the CSR Promotion Department, meets four times a year. The council deliberates CSR policies of the entire Group, matters related to the quality assurance system and other CSR issues. Sanwa is actively working to fulfill its corporate social responsibilities, and to this end has established CSR Promotion Committee that plan and promote CSR activities together with individual work sites.

To establish and maintain a corporate governance system that earns the trust of society through its financial health, audit & supervisory board members travel directly to subsidiaries and affiliates to study their situation or issue requested reports. Furthermore, Sanwa's independent auditors, Kyoritsu Audit Corporation, conducts financial audits of Sanwa Holdings' major consolidated subsidiaries.

It is the view of Sanwa Holdings that the structure outlined above constitutes a governance system that ensures the competence of the Group's business operations and fulfills its corporate governance obligations.

Sanwa Group Corporate Governance System



Financial Information

Contents

Consolidated Balance Sheets

Sanwa Holdings Corporation and Subsidiaries
As of March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
ASSETS			
Current assets:			
Cash and cash equivalents (Note 10)	**¥ 22,275**	¥ 16,825	**$ 236,968**
Short-term investments (Notes 3, 10)	**2,243**	1,824	**23,862**
Notes and accounts receivable, trade (Note 10)	**63,820**	61,578	**678,936**
Allowance for doubtful accounts	**(1,335)**	(1,222)	**(14,202)**
Inventories (Note 4)	**38,170**	36,590	**406,064**
Deferred income taxes (Note 14)	**4,185**	3,287	**44,521**
Other current assets	**4,498**	4,080	**47,851**
Total current assets	**133,856**	122,962	**1,424,000**
Property, plant and equipment:			
Land	**22,583**	22,292	**240,245**
Buildings and structures	**43,214**	41,512	**459,723**
Machinery and equipment	**56,779**	53,763	**604,032**
Construction in progress	**1,218**	990	**12,957**
	123,794	118,557	**1,316,957**
Less accumulated depreciation	**(73,374)**	(69,013)	**(780,574)**
Total property, plant and equipment	**50,420**	49,544	**536,383**
Intangible assets:			
Goodwill	**2,325**	3,225	**24,734**
Other intangible assets (Note 5)	**14,718**	12,774	**156,574**
Total intangible assets	**17,043**	15,999	**181,308**
Investments and other assets:			
Investments in non-consolidated subsidiaries and affiliates (Notes 3, 10)	**8,104**	7,268	**86,213**
Investments in securities (Notes 3, 10)	**22,835**	19,915	**242,926**
Deferred income taxes (Note 14)	**4,961**	6,757	**52,777**
Allowance for doubtful accounts	**(469)**	(492)	**(4,989)**
Other assets	**5,021**	4,626	**53,415**
Total investments and other assets	**40,452**	38,074	**430,342**
Total assets	**¥241,771**	¥226,579	**$2,572,033**

The accompanying notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term debt (Notes 6, 10)	**¥ 11,954**	¥ 12,956	**$ 127,170**
Notes and accounts payable, trade (Note 10)	**38,398**	38,334	**408,489**
Accrued income taxes	**3,754**	2,064	**39,936**
Accrued expenses	**13,134**	12,479	**139,723**
Deferred income taxes (Note 14)	**30**	110	**319**
Other current liabilities	**12,577**	11,231	**133,798**
Total current liabilities	**79,847**	77,174	**849,435**
Long-term liabilities:			
Long-term debt (Notes 6, 10)	**48,846**	48,651	**519,638**
Retirement and severance benefits (Note 7)	**9,440**	8,780	**100,426**
Deferred income taxes (Note 14)	**3,942**	3,277	**41,936**
Other long-term liabilities	**2,561**	3,175	**27,245**
Total long-term liabilities	**64,789**	63,883	**689,245**
Total liabilities	**144,636**	141,057	**1,538,680**
Contingent liabilities (Note 8)			
NET ASSETS			
Shareholders' equity (Note 12)			
Common stock:			
Authorized—550,000,000 shares in 2013 and 2012			
Issued—257,920,497 shares in 2013 and 2012	**38,413**	38,413	**408,649**
Additional paid-in capital	**39,902**	39,902	**424,489**
Retained earnings	**30,975**	25,999	**329,521**
Treasury stock, at cost (18,134,664 shares in 2013 and 17,618,606 shares in 2012)	**(9,833)**	(9,694)	**(104,605)**
Total Shareholders' equity	**99,457**	94,620	**1,058,054**
Accumulated other comprehensive income			
Net unrealized holding losses on securities	**(1,601)**	(3,315)	**(17,032)**
Foreign currency translation adjustments	**(844)**	(5,909)	**(8,979)**
Total accumulated other comprehensive income	**(2,445)**	(9,224)	**(26,011)**
Stock acquisition rights	**123**	126	**1,310**
Total net assets	**97,135**	85,522	**1,033,353**
Total liabilities and net assets	**¥241,771**	¥226,579	**$2,572,033**

Consolidated Statements of Operations

Sanwa Holdings Corporation and Subsidiaries
For the years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Net sales	**¥265,913**	¥248,214	**$2,828,862**
Cost of sales (Note 13)	**196,632**	186,684	**2,091,830**
Gross profit	**69,281**	61,530	**737,032**
Selling, general and administrative expenses (Note 12)	**55,107**	52,675	**586,245**
Operating income	**14,174**	8,855	**150,787**
Other income (expenses)**:**			
Interest and dividend income	**588**	600	**6,255**
Interest expenses	**(935)**	(1,029)	**(9,947)**
Equity in earnings of non-consolidated subsidiaries and affiliates	**117**	(269)	**1,245**
Other, net (Note 15)	**(868)**	(1,331)	**(9,234)**
	(1,098)	(2,029)	**(11,681)**
Net income before income taxes and minority interests	**13,076**	6,826	**139,106**
Income taxes (Note 14)**:**			
Current	**5,439**	2,258	**57,861**
Deferred	**456**	1,271	**4,851**
	5,895	3,529	**62,712**
Income before minority interests	**7,181**	3,297	**76,394**
Net income	**¥ 7,181**	¥ 3,297	**$ 76,394**

	Yen		U.S. dollars (Note 1)
	2013	2012	**2013**
Per share:			
Net income —Basic	**¥ 29.93**	¥ 13.72	**$ 0.318**
—Diluted	**29.87**	13.69	**0.318**
Cash dividends	**10.00**	8.00	**0.106**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Sanwa Holdings Corporation and Subsidiaries
For the years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Income before minority interests	**¥ 7,181**	¥ 3,297	**$ 76,394**
Other comprehensive income (Note 16)			
Net unrealized holding gains on securities	**1,712**	18	**18,213**
Deferred gains (losses) on hedges	**—**	(107)	**—**
Foreign currency translation adjustments	**4,890**	(1,824)	**52,021**
Share of other comprehensive income of non-consolidated subsidiaries and affiliates accounted for using the equity method	**176**	5	**1,872**
Total other comprehensive income (loss)	**6,778**	(1,908)	**72,106**
Comprehensive income	**¥13,959**	¥ 1,389	**$148,500**
Comprehensive income attributable to:			
Owners of the parent	**¥13,959**	¥ 1,389	**$148,500**
Minority interests	**—**	—	**—**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Sanwa Holdings Corporation and Subsidiaries
For the years ended March 31, 2013 and 2012

	Millions of yen								
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Stock acquisition rights	Total net assets
Balance at March 31, 2011	¥38,413	¥39,902	¥24,625	¥(9,693)	¥(3,334)	¥ 107	¥(4,089)	¥ 90	¥86,021
Net changes during the year									
Cash dividends			(1,922)						(1,922)
Net income for the year			3,297						3,297
Purchase of treasury stock				(2)					(2)
Disposal of treasury stock			(1)	1					0
Net changes during the year other than shareholders' equity					19	(107)	(1,820)	36	(1,872)
Total net changes during the year	—	—	1,374	(1)	19	(107)	(1,820)	36	(499)
Balance at March 31, 2012	¥38,413	¥39,902	¥25,999	¥(9,694)	¥(3,315)	¥ —	¥(5,909)	¥126	¥85,522
Net changes during the year									
Cash dividends			(2,160)						(2,160)
Net income for the year			7,181						7,181
Purchases of treasury stock				(226)					(226)
Disposal of treasury stock			(45)	87					42
Net changes during the year other than shareholders' equity					1,714		5,065	(3)	6,776
Total net changes during the year	—	—	4,976	(139)	1,714	—	5,065	(3)	11,613
Balance at March 31, 2013	**¥38,413**	**¥39,902**	**¥30,975**	**¥(9,833)**	**¥(1,601)**	**¥ —**	**¥ (844)**	**¥123**	**¥97,135**

	Thousands of U.S. dollars (Note 1)								
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Stock acquisition rights	Total net assets
Balance at March 31, 2012	$408,649	$424,489	$276,585	$(103,128)	$(35,266)	$ —	$(62,862)	$1,340	$ 909,807
Net changes during the year									
Cash dividends			(22,979)						(22,979)
Net income for the year			76,394						76,394
Purchases of treasury stock				(2,404)					(2,404)
Disposal of treasury stock			(479)	927					448
Net changes during the year other than shareholders' equity					18,234		53,883	(30)	72,087
Total net changes during the year	—	—	52,936	(1,477)	18,234	—	53,883	(30)	123,546
Balance at March 31, 2013	**$408,649**	**$424,489**	**$329,521**	**$(104,605)**	**$(17,032)**	**$ —**	**$ (8,979)**	**$1,310**	**$1,033,353**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

Sanwa Holdings Corporation and Subsidiaries
For the years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	**2013**
Cash flows from operating activities:			
Net income before income taxes and minority interests	**¥13,076**	¥ 6,826	**$139,106**
Adjustments for:			
Depreciation and amortization	**5,785**	5,605	**61,543**
Equity in earnings of non-consolidated subsidiaries and affiliates	**(117)**	269	**(1,245)**
Interest and dividend income	**(588)**	(600)	**(6,255)**
Interest expenses	**935**	1,029	**9,947**
Increase in allowance for doubtful accounts	**5**	132	**53**
Increase (decrease) in allowance for bonuses	**382**	(29)	**4,064**
Increase (decrease) in retirement and severance benefits	**392**	212	**4,170**
Increase (decrease) in provision for loss on disaster	**—**	(260)	**—**
Decrease (increase) in notes and accounts receivable	**(260)**	(8,011)	**(2,766)**
Increase in inventories	**213**	(3,536)	**2,266**
Increase (decrease) in notes and accounts payable	**(802)**	4,714	**(8,532)**
Other, net	**3**	1,668	**32**
Subtotal	**19,024**	8,019	**202,383**
Interest and dividend income received	**586**	636	**6,234**
Interest expenses paid	**(938)**	(1,045)	**(9,979)**
Income taxes paid	**(3,817)**	(2,157)	**(40,606)**
Net cash provided by operating activities	**14,855**	5,453	**158,032**
Cash flows from investing activities:			
Payments for purchase of investments in securities	**(5,462)**	(2,103)	**(58,106)**
Proceeds from sales of investments in securities	**4,556**	846	**48,468**
Payments for purchase of tangible and intangible assets	**(4,293)**	(2,897)	**(45,670)**
Payments for advances	**(1,504)**	(1,206)	**(16,000)**
Proceeds from collections of advances	**1,240**	1,153	**13,191**
Acquisition for business	**(292)**	(1,383)	**(3,106)**
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	**—**	(3,621)	**—**
Other, net	**442**	(42)	**4,702**
Net cash used in investing activities	**(5,313)**	(9,253)	**(56,521)**
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans, net	**1,219**	(1,855)	**12,968**
Proceeds from long-term bank loans	**13**	3,567	**138**
Repayments of long-term bank loans	**(827)**	(1,296)	**(8,798)**
Proceeds from issuance of bond	**3,000**	2,000	**31,915**
Repayments of bonds	**(5,000)**	—	**(53,191)**
Purchase and disposal of treasury stock, net	**(185)**	(1)	**(1,968)**
Cash dividends paid	**(2,160)**	(1,922)	**(22,979)**
Other, net	**(401)**	(180)	**(4,266)**
Net cash provided by (used in) financing activities	**(4,341)**	313	**(46,181)**
Effect of exchange rate changes on cash and cash equivalents	**249**	6	**2,649**
Net increase (decrease) in cash and cash equivalents	**5,450**	(3,481)	**57,979**
Cash and cash equivalents at beginning of year	**16,825**	20,306	**178,989**
Cash and cash equivalents at the end of year	**¥22,275**	¥16,825	**$236,968**

The accompanying notes are an integral part of these statements.

Notes to the Consolidated Financial Statements

Sanwa Holdings Corporation and Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

Sanwa Holdings Corporation (the "Company") and its domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Japanese Corporate Law and the Financial Instruments and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards.

The Company's overseas subsidiaries have been prepared in conformity with International Financial Reporting Standards or US GAAP for the Company's consolidation process, except for certain items which are required to be adjusted in the consolidation process.

The accompanying consolidated financial statements are prepared based on the consolidated financial statements of the Company and its subsidiaries (the "Group"), which were filed with the Director of Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Law.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader, using the approximate exchange rate at March 31, 2013, which was ¥94 to US$1.00.

2. Summary of Significant Accounting Policies

(a) Scope of Consolidation

At March 31, 2013, the Company had 79 subsidiaries and 20 affiliates.

The consolidation for the year ended March 31, 2013 (FY2012) includes Sanwa Holdings Corporation and its 38 consolidated subsidiaries. Equity method accounting is applied to investments in 7 non-consolidated subsidiaries and 5 affiliates at March 31, 2013.

(b) Foreign currency translation

All asset and liability accounts of foreign subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing at the year-end and revenues and expenses accounts are translated into Japanese yen at average exchange rates during the year.

Shareholders' equity accounts of foreign subsidiaries and affiliates are translated at historical rates. The resulting translation differences are debited or credited to the foreign currency translation adjustment account in shareholders' equity or to the minority interests in consolidated subsidiaries in the consolidated balance sheets.

(c) Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

(d) Short-term Investments and Investments in Securities

The Group adopted the Accounting Standards for Financial Instruments which was issued by the Business Accounting Deliberation Council. In accordance with these standards, securities are classified into four categories: trading securities, held-to-maturity debt securities, equity investments in associates, and other securities. Based on this classification, securities with a maturity of less than one year are included in "Short-term investments" as current assets.

Securities held by the Group are all classified as other securities. Marketable securities classified as other securities are carried at fair value with the unrealized gain and loss, net of applicable tax, reported in a separate component of shareholders' equity. Non-marketable securities classified as other securities are carried at cost determined by the moving average method. Realized gain and loss and declines in value judged to be other than temporary on other securities are charged to income.

(e) Inventories

Inventories of the domestic consolidated companies are valued at cost, determined by the gross average method (Carrying amount in the balance sheet is calculated with consideration of write-downs due to decreased profitability). The costs of inventories held by foreign consolidated subsidiaries are stated at the lower of cost or market value method by the first-in, first-out method or the moving average method.

(f) Property, Plant and Equipment (Excluding Lease Assets)

Property, plant and equipment are stated at cost. Depreciation is computed by the declining-balance method over the estimated useful lives of assets, except that the straight-line method is applied to buildings (other than structures attached to the buildings) acquired subsequent to April 1, 1998. The foreign consolidated subsidiaries adopt the straight-line method for depreciation.

Costs of maintenance, repairs and minor renewals are charged to income in the year incurred, although major renewals and improvements are capitalized.

(Changes in Method of Accounting)

Effective April 1, 2012, the Company and its domestic consolidated subsidiaries changed their method of depreciation for property, plant and equipment acquired on or after April 1, 2012 in accordance with the amended Corporation Tax Law of Japan.

The effect of this change on the consolidated operating results for the year ended March 31, 2013 was immaterial.

(g) Amortization of Goodwill

Amortization of goodwill is determined on a case basis and in generally amortized over a period not exceeding 20 years.

(h) Leased Assets

Leased assets related to finance lease transactions that do not transfer ownership rights are amortized under the straight-line method based on the lease term as the useful life with residual value of zero. However, the Group continues to apply the method for ordinary operating lease transactions to finance lease transactions contracted before March 31, 2008.

(i) Retirement and Severance Benefits

The Company and its domestic subsidiaries in Japan have severance indemnity plans, defined contribution pension plans and defined benefit pension plans. Under these plans, employees who terminate their service with the Company and its domestic subsidiaries are, under most circumstances, entitled to lump-sum severance indemnities and pension payments, determined by reference to current basic rates of pay, length of service and conditions under which the terminations occur.

The Company and its domestic subsidiaries in Japan also have contributory pension benefit plans covering substantially all of their employees, including the governmental welfare pension benefit plan which would otherwise be provided by the Japanese government. The contributions to the contributory and the non-contributory pension plans are placed into trusted pension funds.

The foreign consolidated subsidiaries have defined benefit pension plans or contributory pension plans, which substantially cover all of their employees, under which the cost of benefits is currently funded or accrued.

(j) Revenue recognition

The Group recognizes revenue at the time products are shipped, which is when title and risk of loss pass to the customer. The Group recognizes revenue related to installation of products at the time installation is complete.

However, revenues and costs of construction contracts, of which the percentage of completion can be reliably estimated, are recognized by the percentage-of-completion method. To estimate the progress of such construction projects, the Group measures the percentage of completion by comparing costs incurred to date with the most recent estimate of total costs required to complete the project (cost to cost basis). If a reliable estimate cannot be made, revenues and costs of construction contract are recognized by the completed-contract method.

(k) Research and Development Expense and Software

Research and development expenditure is charged to income when incurred.

Expenditure relating to software developed for internal use is charged to income when incurred, except if it contributes to the generation of income or to the future cost savings. Such expenditures capitalized as assets are amortized using the straight-line method over their estimated useful lives of five years.

(l) Income Taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of operations. Deferred income taxes are recorded to reflect the expected future tax consequence of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

(m) Net Income per Share

The computation of basic net income (loss) per share is based on the weighted-average number of shares of common stock outstanding. The average number of shares used in the computation was 239,960 thousand and 240,305 thousand for the years ended March 31, 2013 and 2012, respectively.

Cash dividends per share shown in the consolidated statements of operations are the amounts applicable to the respective years.

(n) Derivative and Hedging Activities

The Group utilizes derivative transactions related to foreign currency exchange rates and interest rates in order to reduce their risk exposure arising from fluctuations in these rates and prices, to reduce the cost of the funds financed and to improve their return on invested funds.

Derivative transactions currently utilized by the Group include interest rate swap contracts and currency swap contracts.

Net asset or liability arising from derivative transactions is measured at fair value, with unrealized gain or loss included in earnings. Hedging transactions, which meet the criteria of hedge accounting are accounted for using deferral hedge accounting, which requires the unrealized gain or loss to be deferred as a liability or asset until gain or loss relating to the hedge object is recognized.

In addition, certain forward exchange contracts and certain interest rate swap transactions are accounted for using the allocation method and the special method, respectively, which are regulated in the standard. The allocation method requires recognized foreign currency receivables or payables covered by forward exchange contracts to be translated at such contract rates. Under the special method, interest rate swap transactions are accounted for as if the interest rates under those transactions were originally applied to underlying borrowing.

The Group has established a control environment, which includes policies and procedures for risk assessment and for the approval, reporting and monitoring of derivative transactions. The Group does not do derivative transactions for trading purposes. The Group is exposed to certain market risks arising from derivative transactions. The Group is also exposed to the risk of credit loss in the event of non-performance by the counterparties to those transactions. However, the Group does not anticipate non-performance by any of these counterparties, all of whom are financial institutions with high credit ratings.

The Group evaluates hedge effectiveness by comparing the cumulative changes in cash flows or the changes in fair value of the hedged items with the corresponding changes in the hedging derivative instruments.

The assessment of hedging effectiveness regarding interest rate swaps which are accounted for under the above special accounting method is omitted.

(o) Reclassifications

Certain reclassifications of the financial statements for the year ended March 31, 2012 have been made to conform to the presentation for the year ended March 31, 2013.

(p) Accounting Standards Issued but Not Yet Effective

· The “Accounting Standard for Retirement Benefits” (Accounting Standards Boards of Japan Statement

No. 26, issued on May 17, 2012)

· The "Guidance on Accounting Standard for Retirement Benefits" (Accounting Standards Boards of Japan Guidance No. 25, issued on May 17, 2012)

(1) Overview

Revisions apply mainly to the accounting treatments for unrecognized actuarial gains and losses as well as unrecognized prior service costs, the calculation methods for retirement benefit obligations as well as service costs, and broadening disclosure taking into consideration improvements to financial reporting and international trends.

(2) Scheduled Effective Date

The revised Accounting Standard and Guidance are effective from the end of fiscal years beginning on or after April 1, 2013. However, revisions to the calculation methods for retirement benefit obligations and service costs are effective from the fiscal year beginning on April 1, 2014.

(3) The Impact of the Adoption of the Revised Accounting Standard and Guidance

The impact of the adoption of the revised accounting standard and guidance on consolidated financial statements are in process of measuring.

3. Short-term Investments, Investments in Securities and Investments in Non-consolidated Subsidiaries and Affiliates

At March 31, 2013 and 2012, other securities, which are included in short-term investments and investment in securities, were as follows:

	Millions of yen			
	2013			
	Other securities			
	Cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Market value available				
Equity securities	**¥19,069**	**¥1,023**	**¥(3,456)**	**¥16,636**
Bonds and debentures	**1,004**	**5**	**—**	**1,009**
Other	**4,670**	**87**	**(112)**	**4,645**
	¥24,743	**¥1,115**	**¥(3,568)**	**¥22,290**
Market value not available	**2,788**	**—**	**—**	**2,788**
Total	**¥27,531**	**¥1,115**	**¥(3,568)**	**¥25,078**

	Millions of yen			
	2012			
	Other securities			
	Cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Market value available				
Equity securities	¥17,887	¥142	¥(5,155)	¥12,874
Bonds and debentures	1,105	4	—	1,109
Other	4,400	44	(114)	4,330
	¥23,392	¥190	¥(5,269)	¥18,313
Market value not available	3,426	—	—	3,426
Total	¥26,818	¥190	¥(5,269)	¥21,739

	Thousands of U.S.dollars			
	2013			
	Other securities			
	Cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Market value available				
Equity securities	**$202,862**	**$10,882**	**$(36,766)**	**$176,978**
Bonds and debentures	**10,681**	**53**	**—**	**10,734**
Other	**49,681**	**926**	**(1,191)**	**49,416**
	$263,224	**$11,861**	**$(37,957)**	**$237,128**
Market value not available	**29,660**	**—**	**—**	**29,660**
Total	**$292,884**	**$11,861**	**$(37,957)**	**$266,788**

At March 31, 2013 and 2012, investments in non-consolidated subsidiaries and affiliates were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Equity securities	**¥6,187**	¥5,422	**$65,819**
Advances	**1,917**	1,846	**20,394**
	¥8,104	¥7,268	**$86,213**

4. Inventories

Inventories at March 31, 2013 and 2012 comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Finished goods	**¥ 7,950**	¥ 7,242	**$ 84,574**
Work in process	**18,339**	18,271	**195,096**
Raw materials and supplies	**11,881**	11,077	**126,394**
	¥38,170	¥36,590	**$406,064**

5. Other Intangible Assets

Other intangible assets at March 31, 2013 and 2012 comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Trademark	**¥ 4,066**	¥ 3,060	**$ 43,255**
Software	**4,916**	6,339	**52,298**
Other	**5,736**	3,375	**61,021**
	¥14,718	¥12,774	**$156,574**

6. Short-term Debt and Long-term Debt

Short-term debt and long-term debt at March 31, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Short-term loans (unsecured)	**¥ 8,592**	¥ 7,138	**$ 91,404**
Current portion of long-term debt	**3,362**	818	**35,766**
Current portion of unsecured bonds	**—**	5,000	**—**
Short-term debt	**¥11,954**	¥12,956	**$127,170**
1.32% unsecured bonds, due 2013	**—**	5,000	**—**
1.03% unsecured bonds, due 2014	**15,000**	15,000	**159,574**
1.04% unsecured bonds, due 2015	**2,000**	2,000	**21,277**
1.16% unsecured bonds, due 2016	**2,400**	2,400	**25,532**
0.89% unsecured bonds, due 2016	**10,000**	10,000	**106,383**
1.00% unsecured bonds, due 2017	**2,000**	2,000	**21,277**
0.73% unsecured bonds, due 2018	**3,000**	—	**31,915**
Loans from banks and other financial institutions unsecured maturing 2013–2015 with interest average rate from 0.90% to 5.49%.	**17,808**	18,069	**189,447**
Long-term debt	**¥52,208**	¥54,469	**$555,404**
Less, current portion	**(3,362)**	(5,818)	**(35,766)**
Long-term debt	**¥48,846**	¥48,651	**$519,638**

Aggregate annual maturities of long-term loans at March 31, 2013 were as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2015	231	2,457
2016	14,215	151,223
	¥14,446	$153,680

7. Retirement and Severance Benefits

The following tables set forth the changes in benefit obligation, fair value of plan assets and funded status of the Group at March 31, 2013 and 2012.

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Benefit obligation at the end of year	**¥(41,402)**	¥(36,330)	**$(440,447)**
Fair value of plan assets at the end of year	**27,612**	24,596	**293,745**
Funded status	**(13,790)**	(11,734)	**(146,702)**
Unrecognized actuarial loss	**6,323**	4,489	**67,266**
Accrued pension liability recognized in the consolidated balance sheets	**¥ (7,467)**	¥ (7,245)	**$ (79,436)**
Prepayment pension cost	**1,973**	1,535	**20,990**
Retirement and severance benefits	**(9,440)**	(8,780)	**(100,426)**

Some domestic subsidiaries have adopted alternative treatment of the accounting standards for retirement benefit for small business entities.

Severance and pension cost of the Group included the following components for the years ended March 31, 2013 and 2012.

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Service cost	**¥ 1,118**	¥ 1,142	**$ 11,893**
Interest cost	**971**	984	**10,330**
Expected return on plan assets	**(1,066)**	(1,069)	**(11,340)**
Amortization:			
Prior service cost	**—**	2	**—**
Actuarial loss	**982**	747	**10,447**
	¥ 2,005	¥ 1,806	**$ 21,330**
Loss on transfer of defined benefit pension			
Other	**214**	215	**2,276**
Net periodic benefit cost	**¥ 2,219**	¥ 2,021	**$ 23,606**

Assumption used in the accounting for the defined benefit plans for the years ended March 31, 2013 and 2012, were as follows:

	2013	2012
Method of attributing benefits to periods of service	**Straight-line basis**	Straight-line basis
Discount rate	**Mainly 1.0%**	Mainly 2.0%
Long-term rate of return on fund assets	**Mainly 3.5%**	Mainly 3.5%
Amortization period for prior service cost:		
The Company and its domestic subsidiaries	**Mainly 1year**	Mainly 1year
The foreign consolidated subsidiaries	**Mainly 10year**	Mainly 10year
Amortization period for actuarial loss	**Mainly 10year**	Mainly 10year

8. Contingent Liabilities

Contingent liabilities at March 31, 2013 and 2012, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
As a guarantor of indebtedness of:			
Affiliates	**¥1,082**	¥842	**$11,511**

9. Leases

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets under finance lease contracts, commencing on or before March 31, 2008 that do not transfer ownership to the lessee at March 31, 2013 and 2012, which would have been reflected in the accompanying consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Machinery and equipment		
	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Acquisition costs	**¥378**	¥861	**$4,021**
Accumulated depreciation	**334**	778	**3,553**
Net book value	**¥ 44**	¥ 83	**$ 468**

The Group leases certain machinery and equipment. Total lease payments under these leases were ¥38 million ($404 thousand) and ¥116 million for the years ended March 31, 2013 and 2012, respectively.

Obligations under non-cancelable operating leases as of March 31,2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Due within one year	**¥1,231**	¥1,308	**$13,096**
Due after one year	**2,857**	2,533	**30,394**
	¥4,088	¥3,841	**$43,490**

10. Financial Instruments

1. Status of financial instruments

(1) Policy for financial instruments

In light of plans for financing, the Group raises the funds it requires through bank loans and bonds issuance.

The Group manages temporary fund surpluses through financial assets that have high levels of safety.

The Group reduces the customer credit risk by having the internal policies for managing credit risk.

Long-term debt and bonds are taken out principally for the purpose of capital expenditure and acquisitions.

The Group undertakes interest rate swap transactions as a hedging instrument for certain long-term debt to reduce such risk and fix interest expense for debt bearing interest at variable rates.

The Group limit the use of derivatives to the volume of long-term debt and bonds and actual requirements based on the established internal control rules, and do not engage in speculative transactions.

(2) Types of financial instruments and related risk

Trade receivables—notes receivables and accounts receivables - are exposed to credit risk in relation to customers.

The Group holds securities and investments in securities, which are mainly issued by companies who have business relationships with the Group, and these securities are exposed to the risk of fluctuation in market prices.

Trade payables—notes payable and accounts payable — mostly have payment due dates within one year.

Bank loans and bonds are taken out principally for the purpose of working capital, capital expenditure and acquisitions, which are exposed to the liquidity risk and the interest-rate risk.

The forward exchange contract and the interest swap transaction are almost used for the hedge as a type of derivative transactions.

(3) Risk management for financial instruments

(a) Monitoring of credit risk (the risk that customers or counterparties may default)

In accordance with the internal policies for managing credit risk of the Group, the Group monitors credit worthiness of their main customers periodically, and monitors due dates and outstanding balances by customer.

To minimize the credit risk when entering into derivative transactions, counterparties are limited to financial institutions with high ratings.

(b) Monitoring of market risks

Derivatives mainly include forward foreign currency contracts and interest rate swaps, which are used manage exposure to market risks from charges in foreign currency exchange rates of receivables and payables, and from changes in interest rates of bank loans.

Investments in securities, primarily the equity securities of corporations with which the Group does business, are exposed to the risk of fluctuations in market price.

The Group manages this risk by periodically examining market prices and the financial condition of the issuing entities.

The Group executes and manages derivative transactions within the limits of established internal rules and regulations, and reduces credit risk by limiting counterparties to highly creditworthy financial institutions.

(c) Monitoring of liquidity risk for financing (the risk that the Companies may not be able to meet its obligations on the scheduled due dates)

The Group manages the liquidity risk mainly through the cash-flow plans, which are prepared by financial department.

In order to achieve more efficient and flexible financing, the Group contracts line-of-credit agreements with certain financial institutions.

(4) Supplementary explanation of items relating to the market value of financial instruments

The Group calculates the fair value of financial instruments based on market prices, or by using reasonable estimates when market prices are not available. These estimates include variable factors, and are subject to fluctuation due to change in the underlying assumptions. The contract amounts of derivatives are not an indicator of the market risk associated with derivative transactions.

2. Market value of financial instruments

Amounts recognized in the consolidated balance sheets, market values and the differences between them on March 31, 2013 and 2012 are as shown below.

Moreover, items for which it is extremely difficult to determine market values are not included in the following table (see (note 2)).

	Millions of yen		
		2013	
	Book value	Market value	Difference
(1) Cash and deposits	**¥ 21,740**	**¥ 21,740**	**¥ —**
(2) Notes and accounts receivables, trade	**63,820**	**63,820**	**—**
(3) Securities and Investments in securities	**22,290**	**22,290**	**—**
Total assets	**¥107,850**	**¥107,850**	**¥ —**
(1) Notes and accounts payables, trade	**(38,398)**	**(38,398)**	**—**
(2) Short-term debt	**(11,954)**	**(11,954)**	**—**
(3) Long-term debt	**(48,846)**	**(49,451)**	**(605)**
Total liabilities	**¥ (99,198)**	**¥ (99,803)**	**¥(605)**

	Millions of yen		
		2012	
	Book value	Market value	Difference
(1) Cash and deposits	¥ 16,921	¥ 16,921	¥ —
(2) Notes and accounts receivables, trade	61,578	61,578	—
(3) Securities and Investments in securities	18,313	18,313	—
Total assets	¥ 96,812	¥ 96,812	¥ —
(1) Notes and accounts payables, trade	(38,334)	(38,334)	—
(2) Short-term debt	(12,956)	(12,956)	—
(3) Long-term debt	(48,651)	(49,257)	(606)
Total liabilities	¥(99,941)	¥(100,547)	¥(606)

	Thousands of U.S. dollars		
	2013		
	Book value	Market value	Difference
(1) Cash and deposits	$ 231,266	$ 231,266	$ —
(2) Notes and accounts receivables, trade	678,936	678,936	—
(3) Securities and Investments in securities	237,128	237,128	—
Total assets	$ 1,147,330	$ 1,147,330	$ —
(1) Notes and accounts payables, trade	(408,489)	(408,489)	—
(2) Short-term debt	(127,170)	(127,170)	—
(3) Long-term debt	(519,638)	(526,074)	(6,436)
Total liabilities	$(1,055,297)	$(1,061,734)	$(6,436)

Note 1: Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

Assets

(1) Cash and deposits and (2) Notes and accounts receivables, trade

Since these items are settled in a short period, their carrying value approximates fair value.

(3) Securities and investments in securities

The fair value of equity securities is based on quoted market prices. The fair value of debt securities is based on either quoted market prices or prices provided by the financial institutions making markets in these securities.

For information on securities classified by holding purpose, please refer to Note 3. of the notes to the consolidated financial statements.

Liabilities

(1) Notes and accounts payables, trade and (2) Short-term debt

Since these items are settled in a short period of time, their carrying value approximates fair value.

(3) Long-term debt

(Long-term loan)

The market value of long-term loans payable is calculated by applying a discount rate to the total of principal and interest. That discount rate is based on the assumed interest rate if a similar new loans was entered into.

Because long-term loans payable with variable interest rates are based on the condition that interest rates are revised periodically, their market values are almost the same as their book values, the relevant book values are used.

A specially treated interest rate swap is accounted for as an integral part of long-term loans payable, or the subject of hedging, so that the fair value of the swap is stated by being included in the fair value of Long-term loans payable.

(Bonds)

The quotation of the company bond that our company issues calculates the one based on the market price, and the one without the market price is calculated by the present value that discounts the principal and interest money total at the interest rate in which it tempers with the remaining period and the credit risk of the company bond.

Derivative transactions

For information on derivative transactions, please refer to Note 11. “Derivative transactions” of the notes to the consolidated financial statements.

Note 2: Financial instruments for which it is extremely difficult to determine the fair value were as follows;

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
	Book value		Book value
Investments in non-consolidated—subsidiaries and affiliates	**¥6,187**	¥5,422	**$65,819**
Other securities			
Unlisted equity securities	**3,259**	3,260	**34,670**
Others	**65**	70	**691**

Because it is recognized that these do not have market values and that the market values are extremely difficult to determine, they are not included in the chart above.

Note 3: Planned redemption amounts after the balance sheet date for monetary assets and investment securities with monetary assets and maturity dates

	Millions of yen			
	2013		2012	
	Within 1 year	Over 1 year	Within 1 year	Over 1 year
Cash and deposits	**¥21,739**	**¥ —**	¥16,921	¥ —
Notes and accounts receivables, trade	**63,820**	**—**	61,578	—
Securities and Investments in securities				
Other securities (Bonds)	**—**	**1,074**	70	1,108
Other securities (Others)	**2,779**	**1,866**	659	2,672
Total	**¥88,338**	**¥2,940**	¥79,228	¥3,780

	Thousands of U.S. dollars	
	2013	
	Within 1 year	Over 1 year
Cash and deposits	**$231,266**	**$ —**
Notes and accounts receivables, trade	**678,936**	**—**
Securities and Investments in securities		
Other securities (Bonds)	**—**	**11,426**
Other securities (Others)	**29,564**	**19,851**
Total	**$939,766**	**$31,277**

11. Derivative Transactions

There were no derivative transactions to which hedge accounting was not applied at March 31, 2013 and 2012.

Derivative transactions to which hedge accounting was applied at March 31, 2013 and 2012 were as follows:

	Millions of yen					
	2013			2012		
	Contract amounts	Over 1 year	Market value	Contract amounts	Over 1 year	Market value
Interest swap contracts: Objected by Long-term loans Receive floating, pay fixed	**¥8,700**	**¥8,200**	**¥(105)**	¥9,200	¥8,700	¥(96)

	Thousands of U.S. dollars		
	2013		
	Contract amounts	Over 1 year	Market value
Interest swap contracts: Objected by Long-term loans Receive floating, pay fixed	**$92,553**	**$87,234**	**$(1,117)**

Note: The market value is provided by financial institutions with which we made the contracts.

12. Stock Options

1. The amount of expense appropriation and the accounting name during the years ended March 31, 2013 and 2012.

Equity deal expense (Included in "Selling, general and administrative expenses") were ¥38 million ($404 thousand) and ¥35 million for the years ended March 31, 2013 and 2012.

2. The contents, scale, and change situation of Stock Options

(1) The contents of Stock Options

	June 2008 stock option
Company	Sanwa Holdings Corporation
Resolution date	June 26, 2008
Grantee classification and the number	3 directors
Type and number of shares	Common stock of the Company: 76,000 shares
Date of grant	July 15, 2008
Exercise period of rights	For 30 years from grant date (from July 16, 2008 to July 15, 2038)

	June 2009 stock option
Company	Sanwa Holdings Corporation
Resolution date	June 30, 2009
Grantee classification and the number	3 directors
Type and number of shares	Common stock of the Company: 82,000 shares
Date of grant	July 15, 2009
Exercise period of rights	For 30 years from grant date (from July 16, 2009 to July 15, 2039)

	June 2010 stock option
Company	Sanwa Holdings Corporation
Resolution date	June 30, 2010
Grantee classification and the number	3 directors
Type and number of shares	Common stock of the Company: 99,000 shares
Date of grant	July 15, 2010
Exercise period of rights	For 30 years from grant date (from July 16, 2010 to July 15, 2040)

	June 2011 stock option
Company	Sanwa Holdings Corporation
Resolution date	June 29, 2011
Grantee classification and the number	3 directors
Type and number of shares	Common stock of the Company: 102,000 shares
Date of grant	July 14, 2011
Exercise period of rights	For 30 years from grant date (from July 15, 2011 to July 14, 2041)

	June 2012 stock option
Company	Sanwa Holdings Corporation
Resolution date	June 28, 2012
Grantee classification and the number	6 directors
Type and number of shares	Common stock of the Company: 156,000 shares
Date of grant	July 13, 2012
Exercise period of rights	For 30 years from grant date (from July 14, 2012 to July 15, 2042)

(2) Scale, and change situation of Stock Options

(2)-1 Number of stock options

	Shares				
	June 2008 stock option	June 2009 stock option	June 2010 stock option	June 2011 stock option	June 2012 stock option
Before vested					
Beginning of period	—	—	—	146,000	**—**
Granted	—	—	—	—	**156,000**
Forfeited	—	—	—	—	**—**
Vested	—	—	—	146,000	**—**
Unvested	—	—	—	—	**156,000**
After vested					
Beginning of period	110,000	118,000	141,000	—	**—**
Vested	—	—	—	146,000	**—**
Exercised	34,000	36,000	42,000	44,000	**—**
Expired	—	—	—	—	**—**
Exercisable	76,000	82,000	99,000	102,000	**—**

(2)-2 Unit value and exercise period for stock option rights

	Yen				
	June 2008 stock option	June 2009 stock option	June 2010 stock option	June 2011 stock option	June 2012 stock option
Exercise price	1	1	1	1	**1**
Average share price at exercise	315	315	315	315	**—**
Fair value unit price (Date of grant)	301	263	250	243	**252**

	U.S. dollars				
	June 2008 stock option	June 2009 stock option	June 2010 stock option	June 2011 stock option	June 2012 stock option
Exercise price	0.011	0.011	0.011	0.011	**0.011**
Average share price at exercise	3.351	3.351	3.351	3.351	**—**
Fair value unit price (Date of grant)	3.202	2.798	2.660	2.585	**2.681**

3. Assumptions used in estimation of the fair value of stock options above ware as follows:

	June 2008 stock option	June 2009 stock option	June 2010 stock option	June 2011 stock option	June 2012 stock option
Method of estimation	Black-Scholes model	Black-Scholes model	Black-Scholes model	Black-Scholes model	**Black-Scholes model**
Volatility	26.6%	30.7%	31.4%	33.5%	**30.0%**
Expected remaining period	8 years	7 years	6 years	5 years	**10 years**
Expected dividend	¥13 per share	¥10 per share	¥5 per share	¥8 per share	**¥8 per share**
Risk-free interest rate	1.33%	0.94%	0.46%	0.41%	**0.78%**

13. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses were ¥2,147 million (US$ 22,840 thousand) and ¥2,073 million for the years ended March 31, 2013 and 2012, respectively.

And so on, research and development expenses included in cost of sales were ¥293 million (US$3,117 thousand) and ¥383 million for the years ended March 31, 2013 and 2012, respectively.

14. Income Taxes

The Company and its domestic subsidiaries are subject to several taxes based on income, which in the aggregate resulted in statutory tax rate of approximately 38.0% and 39.8% for the years ended March 31, 2013 and 2012. Foreign subsidiaries are subject to income taxes of the countries in which they operate.

The effective rates for the years ended March 31, 2013 and 2012 differ from the Company's statutory tax rates for the following reasons:

	2013	2012
Statutory tax rate	**38.0%**	39.8%
Expenses not deductible for income tax purposes	**1.3**	1.0
Current operating losses of subsidiaries	**0.1**	0.6
Depreciation of goodwill	**1.0**	1.2
Effect of changes in corporate tax rates	**—**	5.4
Other	**4.7**	3.7
Effective tax rate	**45.1**	51.7

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Deferred tax assets:			
Allowance for bonuses	**¥ 768**	¥ 725	**$ 8,170**
Retirement and severance benefits	**4,513**	3,984	**48,011**
Contribution benefit pension plan	**372**	663	**3,957**
Tax loss carryforwards	**957**	814	**10,181**
Securities	**645**	485	**6,862**
Investment in affiliates securities	**76**	554	**809**
Net unrealized holding losses on securities	**864**	1,810	**9,191**
Other	**2,876**	2,496	**30,595**
	11,071	11,531	**117,776**
Less valuation allowance	**(651)**	(411)	**(6,925)**
Total	**¥10,420**	¥11,120	**$110,851**
Deferred tax liabilities:			
Depreciation	**(4,312)**	(3,883)	**(45,872)**
Prepayment pension cost	**(349)**	(266)	**(3,713)**
Other	**(585)**	(314)	**(6,223)**
Total	**¥ (5,246)**	¥ (4,463)	**$ (55,808)**
Net deferred tax assets	**¥ 5,174**	¥ 6,657	**$ 55,043**

Net deferred tax assets at March 31, 2013 and 2012 were included in the consolidated balance sheet as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Current assets	**¥ 4,185**	¥ 3,287	**$ 44,521**
Investments and other assets	**4,961**	6,757	**52,777**
Current liabilities	**(30)**	(110)	**(319)**
Long-term liabilities	**(3,942)**	(3,277)	**(41,936)**
Net deferred tax assets	**¥ 5,174**	¥ 6,657	**$ 55,043**

15. Other Income (Expenses)

Other, net, for the years ended March 31, 2013 and 2012 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Gain (Loss) on sales and disposal of fixed assets	**¥ (49)**	¥ 7	**$ (521)**
Gain (Loss) on sales of investments in securities	**213**	(28)	**2,266**
Loss on revaluation of derivatives	**0**	(77)	**0**
Write-down of investments in securities	**(74)**	(329)	**(787)**
Loss from restructuring cost of subsidiary	**(869)**	(851)	**(9,245)**
Acquisition cost	**—**	—	**—**
Penalties of alleged of violations of the Law	**—**	—	**—**
Retirement benefit expenses	**—**	—	**—**
Disaster loss	**—**	(31)	**—**
Other, net	**(89)**	(22)	**(947)**
	¥(868)	¥(1,331)	**$(9,234)**

16. Other Comprehensive Income (Loss)

The reclassification adjustments and tax effects for components of other comprehensive income (loss) for the year ended March 31, 2013 and 2012 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Unrealized holding gains on securities:			
Amount arising during the year	**¥2,799**	¥ 82	**$ 29,777**
Reclassification adjustments for losses realized in net income	**(140)**	310	**(1,490)**
Before tax effect	**2,659**	392	**28,287**
Tax effect	**(947)**	(374)	**(10,074)**
Total unrealized holding gains on securities	**1,712**	18	**18,213**
Deferred losses on hedges:			
Amount arising during the year	**—**	87	**—**
Reclassification adjustments for losses realized in net income	**—**	(264)	**—**
Before tax effect	**—**	(177)	**—**
Tax effect	**—**	70	**—**
Total deferred losses on hedges	**—**	(107)	**—**
Foreign currency translation adjustments:			
Amount arising during the year	**4,890**	(1,828)	**52,021**
Reclassification adjustments for losses realized in net income	**—**	4	**—**
Total foreign currency translation adjustments	**4,890**	(1,824)	**52,021**
Share of other comprehensive income of non-consolidated subsidiaries and affiliates accounted for using the equity method:			
Amount arising during the year	**176**	5	**1,872**
Total other comprehensive income (loss)	**¥6,778**	¥(1,908)	**$ 72,106**

17. Segment Information

Information about operations in report segments of the Group for the years ended March 31, 2013 and 2012, was as follows:

(1) Report Segments

	Millions of yen					
	2013					
	Japan	North America	Europe	Total	Adjustment cost	Consolidated Financial Statement
Sales to customers	**¥161,536**	**¥69,391**	**¥34,884**	**¥265,811**	**¥ 102**	**¥265,913**
Inter-segment	**8**	**40**	**160**	**208**	**(208)**	**—**
Total sales	**161,544**	**69,431**	**35,044**	**266,019**	**(106)**	**265,913**
Segment income (loss)	**¥ 11,688**	**¥ 3,486**	**¥ 705**	**¥ 15,879**	**¥ (1,705)**	**¥ 14,174**
Segment assets	**¥110,985**	**¥45,203**	**¥25,748**	**¥181,936**	**¥59,835**	**¥241,771**
Depreciation	**2,705**	**1,624**	**1,046**	**5,375**	**53**	**5,428**
Investment in equity method companies	**—**	**291**	**1,120**	**1,411**	**2,068**	**3,479**
Capital expenditures	**1,083**	**1,858**	**1,345**	**4,286**	**7**	**4,293**

	Millions of yen					
	2012					
	Japan	North America	Europe	Total	Adjustment cost	Consolidated Financial Statement
Sales to customers	¥146,450	¥63,881	¥37,794	¥248,125	¥ 89	¥248,214
Inter-segment	19	53	99	171	(171)	—
Total sales	146,469	63,934	37,893	248,296	(82)	248,214
Segment income (loss)	¥ 6,138	¥ 2,865	¥ 1,150	¥ 10,153	¥ (1,298)	¥ 8,855
Segment assets	¥110,831	¥39,456	¥21,954	¥172,241	¥54,338	¥226,579
Depreciation	2,626	1,548	1,116	5,290	58	5,348
Investment in equity method companies	—	258	644	902	2,072	2,974
Capital expenditures	773	1,154	933	2,860	37	2,897

	Thousands of U.S. dollars					
	2013					
	Japan	North America	Europe	Total	Adjustment cost	Consolidated Financial Statement
Sales to customers	**$1,718,469**	**$738,202**	**$371,106**	**$2,827,777**	**$ 1,085**	**$2,828,862**
Inter-segment	**85**	**426**	**1,702**	**2,213**	**(2,213)**	**—**
Total sales	**1,718,554**	**738,628**	**372,808**	**2,829,990**	**(1,128)**	**2,828,862**
Segment income (loss)	**$ 124,340**	**$ 37,085**	**$ 7,500**	**$ 168,925**	**$ (18,138)**	**$ 150,787**
Segment assets	**$1,180,691**	**$480,883**	**$273,915**	**$1,935,489**	**$636,544**	**$2,572,033**
Depreciation	**28,777**	**17,277**	**11,128**	**57,182**	**564**	**57,746**
Investment in equity method companies	**—**	**3,096**	**11,915**	**15,011**	**22,000**	**37,011**
Capital expenditures	**11,521**	**19,766**	**14,309**	**45,596**	**74**	**45,670**

(2) Related information

a) Information on product and each service

	Millions of yen				
	2013				
	Commercial	Residential	Maintenance/ Home improvement	Other	Consolidated
Sales to customers	**¥175,030**	**¥60,900**	**¥26,775**	**¥3,208**	**¥265,913**

	Millions of yen				
	2012				
	Commercial	Residential	Maintenance/ Home improvement	Other	Consolidated
Sales to customers	¥159,871	¥62,800	¥22,791	¥2,752	¥248,214

	Thousands of U.S. dollars				
	2013				
	Commercial	Residential	Maintenance/ Home improvement	Other	Consolidated
Sales to customers	**$1,862,022**	**$647,872**	**$284,840**	**$34,128**	**$2,828,862**

b) Information on each region

	Millions of yen			
	2013			
	Japan	North America	Europe	Total
Fixed assets	**¥30,136**	**¥11,398**	**¥8,886**	**¥50,420**

	Millions of yen			
	2012			
	Japan	North America	Europe	Total
Fixed assets	¥30,664	¥11,171	¥7,709	¥49,544

	Thousands of U.S. dollars			
	2013			
	Japan	North America	Europe	Total
Fixed assets	**$320,596**	**$121,255**	**$94,532**	**$536,383**

18. Subsequent Events

(Year-end cash dividends)

The following distribution of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2013, was approved at the general shareholders' meeting held on June 26, 2013:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends (¥5.0 per share)	**¥1,198**	**$12,745**

Independent Auditors’ Report

KYORITSU AUDIT CORPORATION

Independent Auditors’ Report

The Board of Directors
Sanwa Holdings Corporation;

We have audited the accompanying consolidated financial statements of Sanwa Holdings Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity’s internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sanwa Holdings Corporation and consolidated subsidiaries at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2013 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Kyoritsu

Tokyo, Japan
June 25, 2013

Consolidated Subsidiaries and Affiliated Companies

As of March 31, 2013

Domestic

SANWA SHUTTER CORPORATION
The core company of the Sanwa Group.
No.1 supplier of rolling steel shutters, overhead doors, steel hinge doors and maintenance and repair services in Japan.
• Address: Shingashi 2-3-5, Itabashi-ku, Tokyo, 175-0081, Japan
• TEL: +81-3-5998-9111

SHOWA FRONT CO., LTD.
A leading manufacturer of facades for stores and other building materials.
• Address: Uchikanda 1-13-7, Chiyoda-ku, Tokyo, 101-0047, Japan
• TEL: +81-3-3293-6737

OKINAWA SANWA SHUTTER CORPORATION
Manufactures and sells steel building materials such as shutters and doors, and store building materials.
• Address: Taira 84-1, Tomigusukushi, Okinawa, 901-0212, Japan
• TEL: +81-98-840-5538

SANWA TAJIMA CORPORATION
Manufactures and sells various kinds of stainless steel building products.
• Address: Ikebukuro 2-77-5, Toshima-ku, Tokyo, 171-0014, Japan
• TEL: +81-3-5954-5880

SANWA EXTERIOR NIIGATA PLANT CO., LTD.
Manufactures various exterior products.
• Address: Oigashima 1397-1, Tsubameshi, Niigata, 959-0113, Japan
• TEL: +81-256-98-5551

VENIX CO., LTD.
Manufactures various partitions.
• Address: Kamagata 3128, Ranzan-machi, Hiki-gun, Saitama, 355-0225, Japan
• TEL: +81-493-62-6671

SHOWA KENSAN CO., LTD.
Manufactures automatic doors for store fronts.
• Address: Nakano 1453, Oura-machi, Oura-gun, Gunma, 370-0603, Japan
• TEL: +81-276-88-2121

TAJIMA METALWORK CO., LTD.
Top brand designing and marketing company of post boxes.
• Address: Higashi-Ikebukuro 4-41-24, Toshima-ku, Tokyo, 170-0013, Japan
• TEL: +81-3-5396-7611

Overseas

OVERHEAD DOOR CORPORATION
A leading U.S. manufacturer of garage doors and shutters.
• Address: 2501 South State Highway 121, Suite 200 Lewisville, TX 75067, U.S.A.
• TEL: +1-469-549-7110

NOVOFERM GROUP (Novoferm GmbH)
One of the leading manufacturers of shutters and doors in Europe.
• Address: Isselburger Strasse 31, 46459 Rees, Germany
• TEL: +49-2850-910-624

SHANGHAI BAOSTEEL-SANWA DOOR CO., LTD.
Manufactures and sells shutters and overhead doors.
• Address: 988 Yueluo Road, Baoshan, Shanghai, China
• TEL: +86-21-5692-5550

NOVOFERM (SHANGHAI) CO., LTD.
Manufactures and sells doors.
• Address: No.118 Mingye Road, Shenshan Industrial Area, Songjiang, Shanghai, China
• TEL: +86-21-5779-3335

SANWA HOLDINGS CORPORATION, SHANGHAI REPRESENTATIVE OFFICE
• Address: Room 1405, Chunshenjiang Building, 400 Zhejiang Road (MID), Shanghai, China
• TEL: +86-21-3318-0127

SANWA SHUTTER DESIGN (SHANGHAI) CORPORATION
• Address: Room 7AF, Xinda Building, 1399 Beijing West Road, Shanghai, China
• TEL: +86-21-3360-6778

SANWA SHUTTER (H.K.) LTD.
Manufactures and sells shutters and doors.
• Address: Room 1901, 19/F Emperor Group Centre, No. 288 Hennessy Road, Wanchai, Hong Kong, China
• TEL: +852-2833-6619

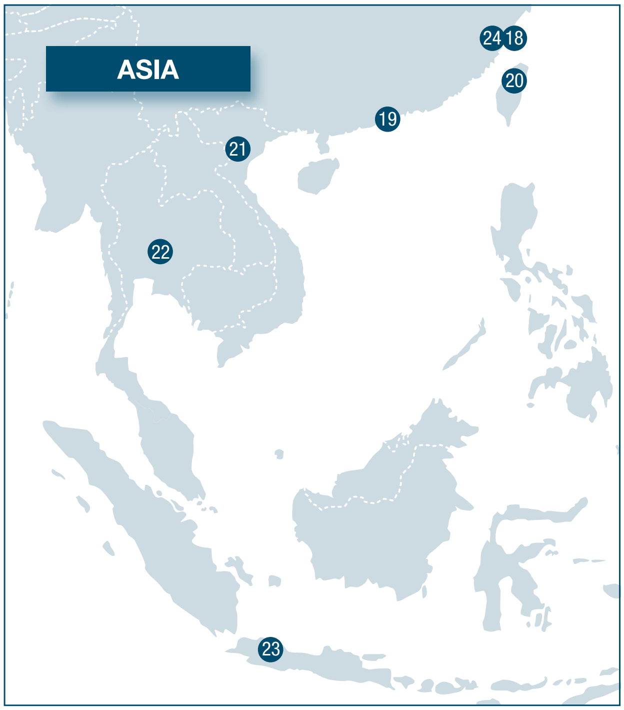
AN-HO METAL INDUSTRIAL CO., LTD.
Manufactures and sells shutters and doors.
• Address: 7Fl, No. 27, Section 1, Chungshan North Road, Taipei, Taiwan
• TEL: +886-2-2521-0013

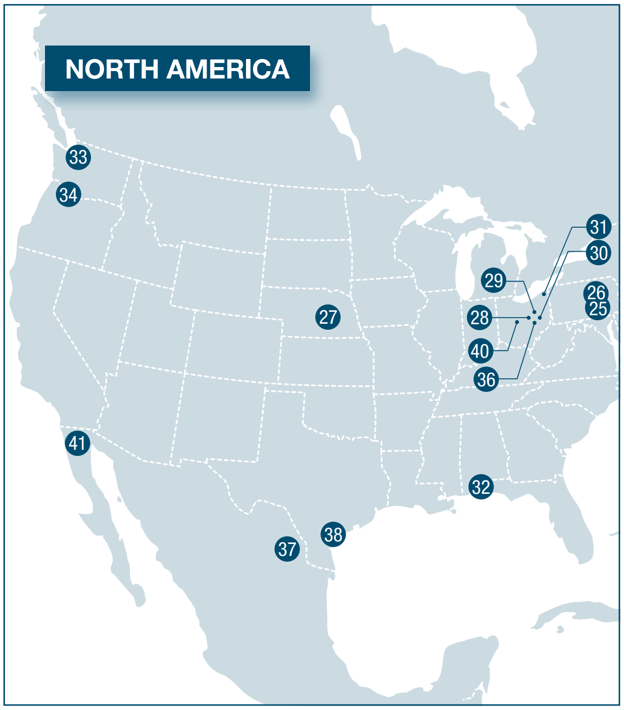
VINA-SANWA COMPANY LIABILITY LTD.
Manufactures and sells shutters and doors.
• Address: High-Tech Industrial Zone, Hoa Lac High-Tech Park, Thach That, Hanoi, Vietnam
• TEL: +84-4-3772-8301

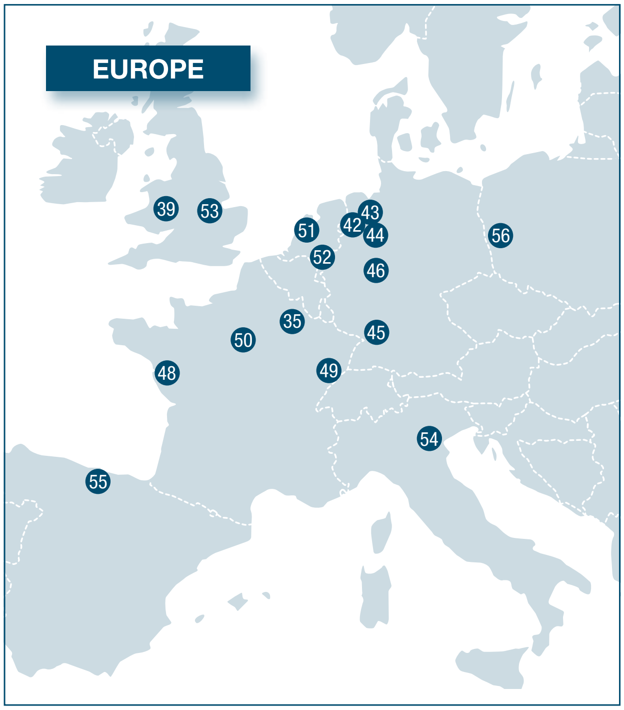
SUN METAL CO., LTD.
Manufactures and sells shutters and doors.
• Address: 180-184 METRO Building 4F, Rajawongse Road, Bangkok 10100, Thailand
• TEL: +66-2-222-5190

PT. SANWAMAS METAL INDUSTRY
Manufactures and sells shutters.
• Address: Jl. Let. Jend. S. Parman kav. 32-34, Jakarta 11480, Indonesia
• TEL: +62-21-548-2308

Global Network







Group Plant Locations

Company	Plant Name	Country	Products
SANWA SHUTTER, JAPANESE SUBSIDIARIES & AFFILIATES			
Sanwa Shutter Corporation	1 Sapporo	Japan	Rolling Shutters, Overhead Sectional Doors, Doors & Door Frames
	2 Ashikaga		Rolling Shutters, Overhead Sectional Doors
	3 Ota		Doors & Door Frames
	4 Shizuoka		Window Shutters, Doors & Door Frames
	5 Gifu		Rolling Shutters, Overhead Sectional Doors
	6 Hiroshima		Rolling Shutters, Doors & Door Frames
	7 Kyushu		Rolling Shutters
Okinawa Sanwa Shutter Corporation	8 Okinawa		Rolling Shutters, Doors & Door Frames
Sanwa Tajima Corporation	9 Saitama		Stainless Steel Fittings, Automatic Revolving Doors
	10 Nagoya		Stainless Steel Fittings
Sanwa Exterior Niigata Plant Co., Ltd.	11 Niigata		Exterior Items
Venix Co., Ltd.	12 Ranzan		Aluminum Partitions
Showa Kensan Co., Ltd.	13 Gunma		Automatic Doors
Yoshida Seisakusyo Co., Ltd.	14 Saku		Stainless Steel Fittings
Suzuka Engineering Co., Ltd.	15 Yokkaichi		Rubber Mixing Plants
Metalwork Kansai Co., Ltd.	16 Sannan		Stainless Steel Fittings
Hayashi Industries Co., Ltd.	17 Niigata		Doors & Door Frames
AFFILIATED COMPANIES (ASIA)			
Shanghai BaoSteel-Sanwa Door Co., Ltd.	18 Shanghai	China	Overhead Sectional Doors, Rolling Shutters, Sheet Shutters
Sanwa Shutter (H.K.) Ltd.	19 Hong Kong		Rolling Shutters, Doors & Door Frames
An-Ho Metal Industrial Co., Ltd.	20 Hsinchu	Taiwan	Doors & Door Frames
Vina-Sanwa Company Liability Ltd.	21 Hanoi	Vietnam	Doors & Door Frames, Rolling Shutters, Sheet Shutters
Sun Metal Co., Ltd.	22 Korat	Thailand	Rolling Shutters, Doors & Door Frames
Pt. Sanwamas Metal Industry	23 Bekasi	Indonesia	Rolling Shutters
Novoferm (Shanghai) Co., Ltd.	24 Shanghai	China	Hinge Doors
ODC (U.S.A.)			
Access Systems Division	25 Lewistown	U.S.A.	Rolling Doors
	26 Williamsport		Residential Garage Doors, Sectional Steel Doors
	27 Grand Island		Residential Garage Doors, Sectional Steel Doors
	28 Mt. Hope		Residential Garage Doors, Sectional Steel Doors, Hardware Parts
	29 Dalton		Rolling Doors
	30 Trail		Sheet Doors
	31 Conneaut		Window Frames, Premium Doors
	32 Pensacola		Residential Garage Doors, Sectional Steel Doors, Hardware Parts
	33 Centralia		Residential Wood Doors
	34 Portland		Residential Garage Doors, Sectional Steel Doors
	35 Reims	France	Residential Garage Door Assembly
Genie	36 Baltic	U.S.A.	Garage Door Openers
	37 Matamoros	Mexico	Garage Door Opener Assembly
Horton	38 Corpus Christi	U.S.A.	Automatic Entrance Systems
	37 Matamoros	Mexico	Automatic Entrance Systems
	39 Telford	U.K.	Automatic Entrance Systems
TODCO	40 Marion	U.S.A.	Truck & Trailer Doors
	41 Tecate	Mexico	Truck & Trailer Doors
NOVOFERM (EUROPE)			
Novoferm (NF) GmbH	42 Haldern	Germany	Doors & Door Frames
	43 Werth		Residential Garage Doors, Door Frames
	44 Dortmund		Residential Garage Doors, Sectional Door Panels
NF Riexinger Tüenwerke GmbH	45 Brackenheim		Fireproof Doors & Door Frames, Industrial Doors
NF Siebau GmbH	46 Buschhütten		Other Doors
NF Tormatic GmbH	47 Dortmund		Garage Door Operators
NF France S.A.S.	48 Machecoul	France	Residential Garage Doors
	49 Bavilliers		Residential Garage Doors
	50 Melun		Fireproof Doors & Door Frames
NF Nederland B.V.	51 Waardenburg	Netherlands	Industrial Doors
	52 Roermond		Industrial Doors
Novoferm UK Limited	53 Luton	U.K.	Residential Garage Doors
NF Schievano s.r.l.	54 Padova	Italy	Doors & Door Frames
NF Alsal S.A.	55 Cantabria	Spain	Doors & Door Frames, Residential Garage Doors, Industrial Doors
Novoferm Door Sp. zo.o	56 Wykroty	Poland	Tubular Frame Doors
Dong Bang Novoferm Inc.	57 Seoul	South Korea	Doors & Door Frames

History of Sanwa Holdings

1956	Apr.	Established Sanwa Shutter Manufacturing Co., Ltd. (President: Manji Takayama), a predecessor of this company, in Amagasaki, Hyogo Prefecture.
1963	Apr.	Merged three group companies and established Sanwa Shutter Corporation. Relocated headquarters to Tokyo.
1970	Jul.	Listed on the First Section of the Tokyo Stock Exchange.
1974	Aug.	Entered into technical tie-up with Overhead Door Corp. (U.S.A.).
	Oct.	Relocated the headquarters to Shinjuku, Tokyo.
1981	May	Toshitaka Takayama becomes President and Manji Takayama Corporate Advisor.
1983	Mar.	Deployed nationwide 24-hour service.
1986	Oct.	Established Sanwa Shutter (HK) Ltd. in Hong Kong.
1988	Sep.	Established An-Ho Metal Industrial Co., Ltd. in Taiwan.
1992	Oct.	Established Sun Metal Co., Ltd. in Thailand.
1996	Jun.	Established Sanwa USA Inc. and acquired Overhead Door Corp. Secured the lion's share of the U.S. garage door and shutter markets.
	Nov.	Established PT. Sanwamas Metal Industry in Indonesia.
2003	Oct.	Acquired Novoferm, Europe's second-largest manufacturer of doors and shutters. With this acquisition, Sanwa Shutter established a presence in Europe, as well as Japan and the United States.
2004	Jan.	Established Sanwa Shutter Design (Shanghai) Corporation in Shanghai.
	Apr.	Established an internal office on corporate social responsibilities to oversee risk management, legal compliance and environment-friendly policies.
2005	Sep.	Entered into comprehensive business alliance with Hochiki, a leading fire detection and disaster-prevention equipment company in Japan.
2006	Apr.	Sanwa Shutter celebrated its 50th anniversary. Established Shanghai BaoSteel-Sanwa Door Co., Ltd., a joint venture with BaoSteel Development Co., Ltd., a subsidiary of BaoSteel, in Shanghai to manufacture and sell overhead doors, rolling shutters and sheet shutters. Completion of quadruple core structure: Japan, U.S.A., Europe and Asia (China).
2007	Oct.	The Sanwa Group adopts holding company system. Sanwa Shutter Corporation changed its trade name to "Sanwa Holdings Corporation," and the operating company succeeded the trade name "Sanwa Shutter Corporation."
2008	Jan.	Sanwa Holdings agreed to establish a joint-venture company, Vina-Sanwa Company Liability Ltd., with the Vietnamese construction and trading company Vinaconex Corporation.
2009	Dec.	Overhead Door Corporation, our consolidated subsidiary, acquired the door businesses of Wayne Dalton Corporation.
2010	Feb.	Sanwa Shutter Corporation concluded a direct sales agreement for the Japanese market with EFAFLEX Tor-und Sicherheitssysteme GmbH & Co. KG of Germany.
2011	Jan.	Overhead Door Corporation acquired an automatic door sales, installation, and maintenance business from Automatic Door Enterprises, Inc., an automatic door distributor in the U.S.
	Oct.	The partition sales business of subsidiary Venix Co., Ltd. and the automatic door sales business of subsidiary Showa Kensan Co., Ltd. were integrated into Sanwa Shutter Corporation, and the two subsidiaries become specialized manufacturing operations.
	Dec.	Overhead Door Corporation acquired Creative Door Services Ltd., a leader in the door business in Western Canada, and which became a new Canadian subsidiary of ODC.
2012	Jan.	Sanwa Shutter Corporation announced that it concluded an OEM contract with LIXIL Corporation to supply some types of lightweight shutters and lightweight doors from March 2012.
	Aug.	Showa Front Co., Ltd. acquired Ace Co., Ltd., a front sash manufacturer and seller.

Corporate Data

As of March 31, 2013

HEAD OFFICE: Shinjuku Mitsui Building, 52F
Nishi-Shinjuku 2-1-1, Shinjuku-ku,
Tokyo, 163-0478, Japan

Telephone: +81-3-3346-3019
Facsimile: +81-3-3346-3177

ESTABLISHED: April 10, 1956

CAPITAL (PAID-IN): ¥38,413 million

EMPLOYEES: Consolidated: 8,387

STOCK LISTINGS: Tokyo Stock Exchange

TRANSFER AGENT: Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Department
Higashisuna 7-10-11 Koto-ku,
Tokyo, 137-8081, Japan

COMMON STOCK: Authorized: 550,000,000 shares
Issued: 257,920,497 shares
Number of shareholders: 11,590

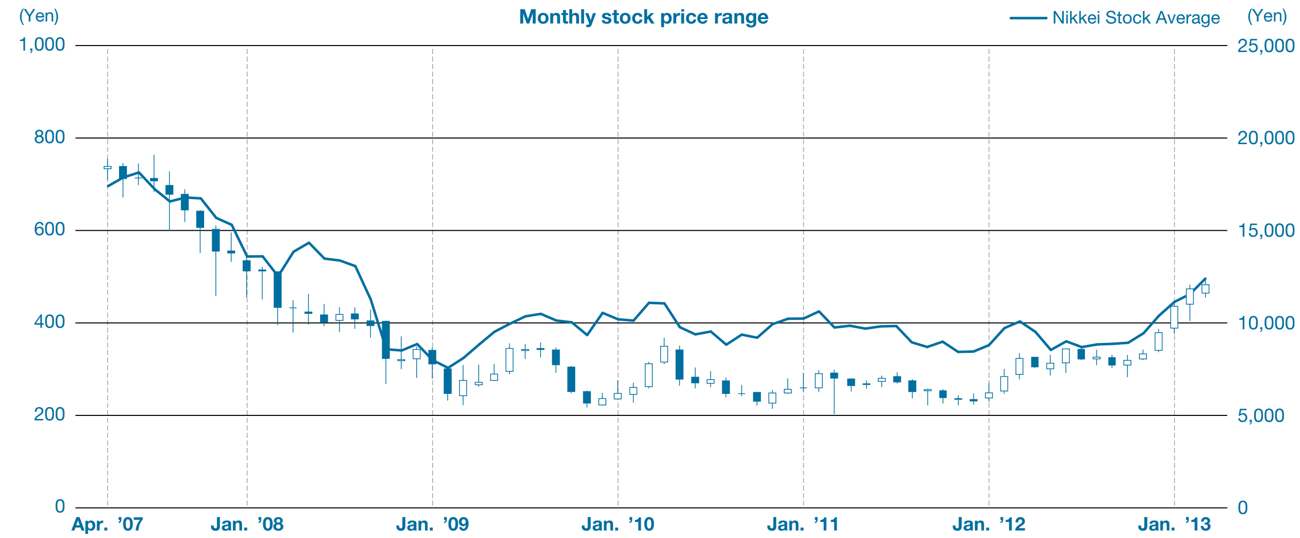
PRINCIPAL SHAREHOLDERS:

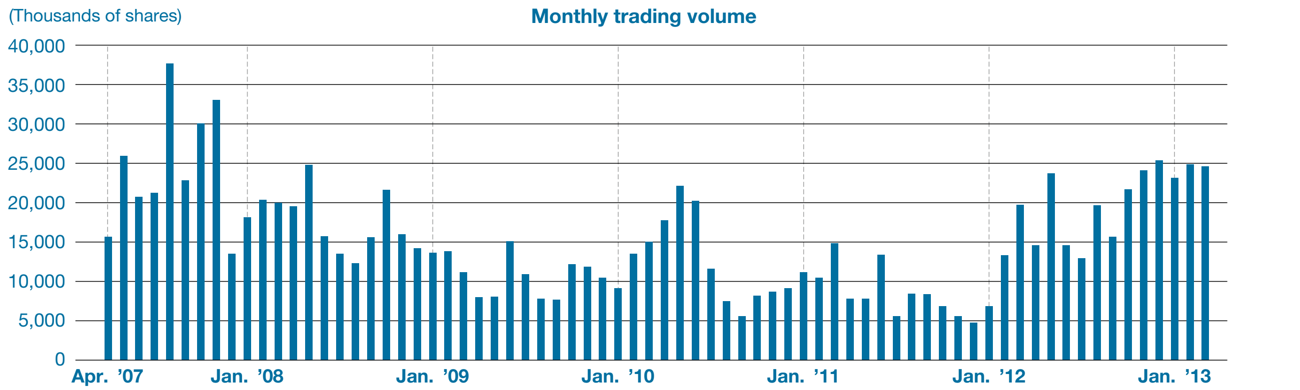
	Percentage of voting rights (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	8.44
The Master Trust Bank of Japan, Ltd. (Trust Account)	7.58
Sumitomo Mitsui Banking Corporation	4.71
Japan Trustee Services Bank, Ltd. (Trust Account 9)	4.22
The Dai-ichi Life Insurance Company, Limited	3.37
Nippon Life Insurance Company	3.30
Aioi Nissay Dowa Insurance Co., Ltd.	2.95
Nisshin Steel Co., Ltd.	2.90
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	2.76
Mitsubishi UFJ Trust and Banking Corporation	1.93

TREND OF STOCK PRICE:

	High	Low
April 1, 2005–March 31, 2006	¥813	¥559
April 1, 2006–March 31, 2007	¥800	¥582
April 1, 2007–March 31, 2008	¥763	¥396
April 1, 2008–March 31, 2009	¥462	¥223
April 1, 2009–March 31, 2010	¥357	¥218
April 1, 2010–March 31, 2011	¥367	¥215
April 1, 2011–March 31, 2012	¥333	¥222
April 1, 2012–March 31, 2013	¥492	¥282

MONTHLY STOCK DATA:





Sanwa Holdings Corporation

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